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3 PUBLIC UTILITIES COMMISSION OF OHIO

4 PUBLIC HEARING

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6 CASE NUMBER: 14-1297-EL-SSO

7 ~ ~ ~ ~

8 Thursday, January 15, 2015

9 Toledo, Ohio

10 ~ ~ ~ ~

11 In the Matter of the Application of Ohio

12 Edison, the Cleveland Electric Illuminating

13 Company, and the Toledo Edison Company, for

14 authority to provide for a standard service offer

15 pursuant to RC 4928.143 in the form of an

16 Electric Security Plan.

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APPEARANCES

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3 Bryce McKenney, Hearing Officer.

4 Megan Addison, Law Clerk at PUCO

5 Michael Schuler, Consumers' Counsel of Ohio

6 Carrie M. Dunn, FirstEnergy Counsel

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1 MR. McKENNEY: Good evening. The
2 Public Utilities Commission of Ohio
3 calls for public hearing at this time
4 and place Case Number 14-1297-EL-SSO
5 being in the Matter of the Application
6 of Ohio Edison, the Toledo Edison
7 Company, and the Cleveland Electric
8 Illuminating Company for Authority to
9 provide for standard service offer
10 pursuant to section 4928.143 of the Ohio
11 Revised Code in the form of an electric
12 security plan.

13 My name is Bryce McKenney and I am
14 the attorney examiner assigned by the
15 Commission to conduct this public
16 hearing. Also with us this evening is
17 Megan Addison. She is a law clerk with
18 the Commission, and she will be
19 assisting me with this public hearing.

20 As I briefly mentioned off the
21 record before we went on the record, in
22 the back are representatives from the
23 Commission's Public Affairs Department.
24 They'll be happy to answer any questions
25 you might have regarding public utility

1 matters unrelated to the application
2 filed by the company.

3 At this time I'd like to take the
4 appearances of the parties that have
5 been granted interventions in the
6 proceedings.

7 On behalf of the company?

8 MS. DUNN: Good evening. Carrie M.
9 Dunn on behalf of the Ohio Edison
10 Company, Cleveland Electric Illuminating
11 Company and Toledo Edison Company, 76
12 South Main Street, Akron, Ohio, 44308

13 MR. McKENNEY: Thank you. OCC?

14 MR. SCHULER: Good evening. Michael
15 Schuler on behalf of the Office of the
16 Ohio Consumers Counsel and the
17 residential customer of the FirstEnergy
18 electric distribution utilities. 10
19 West Broad Street, 18th floor, Columbus,
20 Ohio, 43215.

21 MR. McKENNEY: Thank you,
22 Mr. Schuler.

23 Are there any parties present here
24 today that have been granted
25 intervention in this proceeding? Thank

1 you.

2 The purpose of this evening's public
3 hearing is to receive comments from the
4 public regarding the application filed
5 by the company in this case. This is
6 not a question-and-answer session. It
7 is your opportunity to let the
8 Commission know what you think about the
9 request.

10 The public -- local public hearings
11 scheduled in this case are only one
12 aspect of the process. There will also
13 be an evidentiary hearing for the
14 parties to present their case to the
15 Commission.

16 At this time I would like to
17 caution any party that's been granted
18 intervention in this proceeding to be
19 careful about testifying at the public
20 hearing so as not to forfeit any right
21 to make their case at the evidentiary
22 hearing.

23 When you arrived this evening you
24 were presented an opportunity to sign
25 in. I have the sign-in sheet with me.

1 We will proceed as I read forth through
2 the names of the sign -- on the sign-in
3 sheet. When you come forward to
4 testify, you will have to swear an oath
5 that what you're saying is the truth,
6 the whole truth, nothing but the truth,
7 and I will administer that oath. I'll
8 ask that you come to the podium. We do
9 not have a speaker, so I'll ask you to
10 speak loudly and clearly so that the
11 court reporter can understand what
12 you're saying.

13 At this time I'm going to begin
14 calling people forward.

15 Matt Weaver?

16 - - - - -

17 MATT WEAVER,

18 After having been first duly sworn, as
19 hereinafter certified, was examined and testified
20 as follows:

21 MR. McKENNEY: Thank you. You may
22 proceed.

23 MR. WEAVER: Matt Weaver. I'm an
24 Edison consumer. I live in Genoa. My
25 dad was a Toledo Edison employee. This

1 was a great company.

2 I'm here to express my frustration
3 with FirstEnergy and their reinvesting
4 in coal and their lack of investments
5 with solar and wind. I think that that
6 needs to be the direction they need to
7 go. And I would like to say that we
8 should vote against this. This should
9 not be approved. Short and sweet.
10 There's not a whole lot else I have to
11 give. I have lots of notes and that
12 kind of stuff. I can give you the notes
13 I have.

14 I think that Edison/FirstEnergy
15 should invest in cleaner energy and, you
16 know, I'm here representing my kids.

17 MR. McKENNEY: All right. Thank
18 you, Mr. Weaver.

19 MR. WEAVER: Thank you.

20 MR. McKENNEY: Jerry Whitt?

21 - - - - -

22 JERRY WHITT,

23 After having been first duly sworn, as
24 hereinafter certified, was examined and testified
25 as follows:

1 MR. MCKENNEY: Thank you. You may
2 proceed.

3 MR. WHITT: Good evening, members
4 of the Commission. I am Jerry Whitt, a
5 resident of Martin, Ohio, and former
6 Ottawa County administrator. I
7 appreciate the opportunity to testify in
8 support of FirstEnergy's proposed rate
9 plan.

10 I felt compelled to testify tonight
11 based on my 32 years of employment with
12 Ottawa County, the last 11 of them as
13 administrator, before retiring in 2011.

14 While working for the county, I
15 served many years on the Davis-Besse
16 nuclear review board, gaining a unique
17 insight into the rigors of FirstEnergy's
18 safety, reliability and regulatory
19 protocols. I also served two years on
20 the restart overview panel. I must
21 emphatically state, from my firsthand
22 experience, that Davis-Besse Nuclear
23 Power Station is a safe, well managed,
24 and well run facility where every
25 attention is paid to critical operation

1 -- operational details. I was able to
2 review every facet of plant operations
3 with unlimited access to every aspect of
4 Davis-Besse, including the employees.

5 Further, Davis-Besse is an
6 important economic engine for Ottawa
7 County and the region. It's responsible
8 for hundreds of jobs, millions of
9 dollars in payroll, and as the county's
10 top tax payer, millions more in tax
11 revenue that supports schools and vital
12 public services, such as police and
13 fire.

14 In addition, the plant supports our
15 local economy with several million more
16 dollars annually in vendor purchases,
17 employee spending, and property
18 ownership.

19 FirstEnergy's rate plan will ensure
20 Davis-Besse will continue to operate as
21 a source of clean, carbon free and
22 reliable electricity necessary to
23 support the energy needs of northwest
24 Ohio for years to come. It is vital to
25 Ottawa County and the area.

1 I urge the Commission to rule
2 favorably on FirstEnergy's proposed rate
3 plan. Thank you.

4 MR. MCKENNEY: Thank you.

5 Jamie Beier Grant.

6 - - - - -

7 JAMIE BEIER GRANT,

8 After having been first duly sworn, as
9 hereinafter certified, was examined and testified
10 as follows:

11 MS. BEIER GRANT: Members of the
12 Commission, my name is Jamie Beier
13 Grant, and I am the Director of Ottawa
14 County Improvement Corporation, which
15 serves as a lead economic and workforce
16 development agency for the county.

17 I appreciate the opportunity to
18 give you my perspective on FirstEnergy's
19 proposed rate plan.

20 As you are aware, many of Ohio's
21 largest power plants have closed in
22 recent years, and this could mean the
23 potential for more Ohio jobs being lost
24 and rising electricity prices in the
25 years ahead.

1 Ottawa County is home to
2 FirstEnergy's Davis-Besse Nuclear Power
3 Station, the 900-megawatt plant that
4 employs more than 750 highly-skilled
5 employees from throughout Ottawa County
6 and northwest Ohio.

7 This facility provides a carbon-
8 free, reliable, long-term source of
9 power for our region and our state that
10 many manufacturing and industrial
11 operations rely upon. Power plants such
12 as Davis-Besse are some of the most
13 reliable sources of electricity in this
14 country.

15 Preserving this form of 24/7 energy
16 production is critical to the
17 manufacturing and industrial sectors not
18 just in Ottawa County, but across
19 northwest Ohio and the entire state of
20 Ohio. Companies that do business in our
21 region demand reliable energy in order
22 to effectively and efficiently operate
23 their facilities. Blips in the grid,
24 whether they are rolling blackouts or
25 brownouts cost our company a significant

1 amount of money and diminish Ohio's
2 competitiveness as a place to do
3 business.

4 If Davis-Besse is shuttered, I am
5 certain we will see local business
6 communities seriously question whether
7 the cost of doing business in Ottawa
8 County and Ohio, overall, is affordable.
9 Businesses will look to relocate to
10 other parts of our country where
11 reliable power is available, and we will
12 have very little ability to mitigate the
13 loss of jobs and the erosion of our
14 economy.

15 According to a study by Applied
16 Economics, Davis-Besse has an annual
17 economic impact of more than \$387
18 million in Ottawa County, a population
19 of only 42,000 people year round. Its
20 employees generate an annual payroll of
21 \$61 million. Additionally, Davis-Besse
22 Nuclear Power Station creates thousands
23 of additional jobs involving ongoing
24 maintenance and refueling projects. In
25 fact, the company completed a \$600

1 million steam generator replacement and
2 refueling investment project in 2014
3 that more than doubled the plant's annual
4 economic impact on our area compared
5 with a typical year.

6 On behalf of the Ottawa County
7 Improvement Corporation, I wish to
8 express our organization's support for a
9 thorough and balanced review of
10 FirstEnergy's proposal, so long as any
11 rider charges placed on industrial
12 customers do not have a negative impact
13 on these customers. Additionally, I
14 support FirstEnergy's commitment to
15 providing future rebates to our
16 customers as it's detailed in their
17 plan.

18 Thank you for your continued work
19 to ensure Ohio remains a premier
20 location for existing and future
21 businesses.

22 MALE AUDIENCE MEMBER: I'm having a
23 real hard time hearing what's being said
24 here. I imagine other people are too.

25 MR. SCHULER: I just have a

1 question for her.

2 MR. McKENNEY: Let's go off the
3 record real quick.

4 - - - - -

5 (Thereupon, a brief discussion
6 was had off the record.)

7 - - - - -

8 MR. McKENNEY: We'll try to have
9 everyone speak up as loud as they can.
10 I don't have a speaker here, but
11 everything that's on here will be on the
12 record, so you'll be welcome to read it
13 in the case record, if you wish. Also,
14 there are seats up front if you would
15 like to move closer.

16 Yes, sir.

17 MALE AUDIENCE MEMBER: Do you think
18 it would be better if you put the podium
19 right there and face the people.

20 MR. McKENNEY: The purpose of this
21 hearing is for the Commission to hear
22 what people are saying. If you give me
23 just one minute, let me see if I can get
24 one of our public affairs staff to help
25 me with this podium and we'll be right

1 back.

2 - - - - -

3 (A brief recess was had.)

4 - - - - -

5 MR. MCKENNEY: Mr. Schuler.

6 MR. SCHULER: Thank you, Your
7 Honor.

8 Good evening. Thank you for taking
9 the time to come out to speak today. I
10 just had a quick clarifying question. I
11 think you identified yourself as a
12 director with Ottawa County. Did I hear
13 you correctly?

14 MS. BEIER GRANT: Ottawa County
15 Improvement Corporation.

16 MR. SCHULER: Are you here tonight
17 speaking in your official capacity as
18 the Director of with Ottawa County, or
19 in your personal capacity?

20 MS. DUNN: Your Honor, I would
21 object to any cross-examination at the
22 moment.

23 MR. MCKENNEY: Clarifying
24 questions. I won't allow cross-
25 examination this evening.

1 MS. BEIER GRANT: I'm speaking in
2 my capacity as the Director of the
3 Ottawa County Improvement Corporation.

4 MR. SCHULER: Thank you.

5 MR. MCKENNEY: Thank you.

6 From this point forward we'll use
7 the microphone on the side of the room.

8 Lawrence Friedman.

9 - - - - -

10 LAWRENCE FRIEDMAN

11 After having been first duly sworn, as
12 hereinafter certified, was examined and testified
13 as follows:

14 MR. FRIEDMAN: Thank you for the
15 opportunity to speak to you this
16 afternoon -- or this evening, and thank
17 you, also, for the democracy in action.

18 I'm Lawrence Friedman, President of
19 the Building Service Department, and I
20 will share with you a few thoughts in
21 favor of the proposed rate plan.

22 Before I do that, I owe you some
23 background. I've always proudly
24 identified myself as a life-long
25 Toledoian, even though technically I

1 have not been in Toledo proper since I
2 was nine months old and I have studied
3 and worked in other cities.

4 My family's firm, Toledo Building
5 Services Company is over a 100 years
6 old, a union shop, Service Employees
7 International Union, Local 101 since the
8 1930s, and we and our affiliates employ
9 over 350 people in Northwest Ohio and
10 Southern Michigan. I have worked in the
11 business since I was 14, and in those 47
12 years, with time off for college, law
13 school, and law practice, I have worked
14 as a cleaner, a supervisor, and as a
15 manager in many facilities, including
16 Toledo Edison and FirstEnergy
17 installations.

18 In my experience in their major
19 facilities, Toledo Edison and
20 FirstEnergy have recognized and
21 respected the quality, responsibility,
22 professionalism of its union workers.
23 Accordingly, for the cleaning of their
24 major installations, these companies
25 have been willing to employ union

1 contractors by Toledo Building Services
2 Company which allows us to pay a decent
3 wage to the men and women who work hard
4 in keeping these facilities clean. For
5 example, the Davis-Besse Nuclear Power
6 Station, my company has paid annual
7 wages in excess \$400,000 at rates that
8 exceed, in many cases, \$12 an hour. A
9 number of people made decent, although
10 not extravagant, livings working for us
11 at Davis-Besse.

12 Furthermore, in my experience
13 working with the major charities of our
14 community, I've seen Toledo Edison and
15 FirstEnergy stepping up strongly in
16 leadership and financial support. As a
17 major example, but by no means the only
18 example, there's almost always a
19 representative of Toledo Edison sitting
20 on the board of the United Way of
21 Greater Toledo, giving freely of her or
22 his time, expertise and resources.

23 With that tradition of corporate
24 decency as a backdrop, I'll now turn to
25 my thoughts about this proposed rate

1 request.

2 As I understand it, FirstEnergy
3 desires to purchase power at a price
4 that is, at this moment, slightly over
5 the market rate. The purchase price
6 would prevail for 15 years, and it is
7 expected that during the first three-
8 and-one-half years of this period, the
9 price would still exceed the market,
10 with the added cost borne by consumers.
11 But then it is expected that the years
12 to follow, the price paid by FirstEnergy
13 would be less than the market and the
14 resultant savings would be credited to
15 its customer. The expected savings over
16 15 years would be \$2.0 billion. This
17 seems like a pretty good deal to me.

18 But aside from the expected
19 savings, the major reason for this
20 program is to keep certain baseload
21 generating facilities up, running, and
22 ready to meet the region's electrical
23 needs. FirstEnergy is seeking to keep
24 online or ready to go online with
25 trained staff, three facilities that it

1 can call on to provide baseload power
2 when the need arises, which would
3 include those times when solar cells and
4 wind turbines aren't generating because
5 the sun isn't shining or the wind isn't
6 blowing. Should Davis-Besse and these
7 other facilities become unavailable, I
8 shudder to think of what our region
9 would do if we were faced with another
10 winter like last year, when we came
11 frighteningly close to having to endure
12 electrical brownouts and blackouts. I
13 shudder, also, to think about the loss
14 of good-paying jobs, Ohio jobs that are
15 found in facilities like Davis-Besse.

16 FirstEnergy's rationale of
17 protecting its generated capacity should
18 not be unfamiliar to Ohioans, because it
19 is like Ohio State football team's
20 strategy. When the first and second
21 string quarterbacks are out of action,
22 OSU had taken the time, trouble and
23 expense to have a backup quarterback,
24 Cardale Jones, with the training, the
25 skills and the power to fill the gap.

1 And so it seems to me to be the same
2 with our region's power needs, we ought
3 to be willing to have a place to reserve
4 power we need to keep our homes,
5 offices, schools, factories, and other
6 facilities lighted and comfortable.

7 And finally, to those who would,
8 with the best intentions, offer up solar
9 and wind generation as adequate
10 substitutes, I remind them that the
11 power generally generated in these
12 manners will have to be transmitted, and
13 that transmission will require high-
14 voltage lines. A recent article in the
15 New York Times noted the following --
16 and I'm quoting -- "Even in Germany,
17 where renewable generation has become an
18 article of faith, enthusiasm for all
19 things green appears to have reached the
20 limit with a plan to string high-voltage
21 transmission lines along the outskirts
22 of cities like Fulda in the center of
23 the country."

24 So in conclusion I ask the
25 Commission to keep these points in mind

1 as they study this rate request: The
2 jobs provided by the FirstEnergy
3 facilities, the importance of having
4 that baseload power capacity, and the
5 fact that the alternatives are not so
6 green as they appear.

7 Thank you for the opportunity to
8 appear before you.

9 MR. MCKENNEY: Thank you.

10 Steve Hennet?

11 - - - - -

12 STEVE ARNDT

13 After having been first duly sworn, as
14 hereinafter certified, was examined and testified
15 as follows:

16 MR. ARNDT: Good evening. My name
17 is Steve Arndt. Mr. Trombold and
18 members of the Commission, I'm the
19 Ottawa County Commissioner. And on
20 behalf of the Board of Ottawa County
21 Commissioners, I would like to take this
22 opportunity to urge your support of
23 FirstEnergy's proposed Electric Security
24 Plan.

25 We believe the plan helps maintain

1 public safety and well being by
2 preserving a significant source of
3 reliable electricity generation in
4 Ohio. The Davis-Besse Nuclear Power
5 Plant generates electricity regardless
6 of the weather conditions or the
7 availability of natural gas or coal. It
8 is the most reliable source of
9 electricity located in Ohio close to its
10 customers. Also, Davis-Besse
11 contributes to the progress of Ohio's
12 air quality standards because nuclear
13 power generates no carbon emissions.

14 The severely cold weather we
15 experienced last winter and the demands
16 it placed on the electrical grid should
17 demonstrate the value of the W.H. Sammis
18 and the Davis-Besse plants. As more
19 power plants are removed from the grid
20 for economic and regulatory reasons, the
21 continued operations of these two plants
22 becomes even more critical for the
23 safety and well-being of the public.

24 You are likely all well aware that
25 the extremely cold temperatures in

1 January 2014 nearly causing our region
2 to be forced with rolling brownouts. In
3 fact, Ottawa County Commissioners were
4 notified to prepare for the rolling
5 brownouts because the grid was
6 overstressed. As a rural county,
7 dealing with rolling brownouts at any
8 time is very challenging. But dealing
9 with them during such severe winter
10 conditions would have been even worse.
11 The fact is that rolling brownouts, and
12 worse yet, extended blackouts would pose
13 significant threat to the public
14 safety.

15 We also believe FirstEnergy's plan
16 will help stabilize electricity prices.
17 Electric rates have been low due to a
18 decreased demand in nuclear and natural
19 gas-powered generation. Also, a
20 significant amount of electricity
21 generated is being taken offline because
22 of environmental mandates. At some
23 point, the market will react to the
24 significant loss of these local
25 electrical generations. Results could

1 be significant price increases for years
2 to come because the construction of
3 electrical generation plants demand
4 large amounts of capital and time to get
5 up and running.

6 I believe FirstEnergy's proposal
7 rate plan can help prevent higher
8 electric rates in Ohio. The reliability
9 of the supply of affordable electricity
10 not only impacts the safety and
11 well-being of our residents, but it also
12 is crucial for our community, especially
13 the manufacturing in Ohio. Ottawa
14 County, the region and the state all
15 work to retain and develop and attract
16 businesses. Reliable, affordable
17 electricity is absolutely necessary for
18 the businesses to be competitive, and
19 that's what this plan will help provide.
20 I hope you support the plan to ensure
21 Ohio's future. Thank you.

22 MR. McKENNEY: One quick clarifying
23 question by Mr. Schuler.

24 MR. SCHULER: One clarifying.
25 Again, good evening. Thank you for your

1 time this evening, as well.

2 I thought I heard you say that you
3 were here in your official capacity as
4 an Ottawa County Commissioner. Did I
5 hear that correctly?

6 MR. ARNDT: I am here in an
7 official capacity as an Ottawa County
8 Commissioner, as well as representing
9 the Board of Ottawa County Commissions.

10 MR. SCHULER: That was actually my
11 follow-up question. Thank you.

12 MR. McKENNEY: Thank you.

13 Shaun Enright?

14 - - - - -

15 SHAUN ENRIGHT

16 After having been first duly sworn, as
17 hereinafter certified, was examined and testified
18 as follows:

19 MR. ENRIGHT: I'm Shaun Enright,
20 the Business Manager of Northwest Ohio
21 Building and Construction Trades Council
22 here in Toledo, Ohio.

23 Northwest Ohio Building &
24 Construction Trade Council represents
25 around 10,000 hardworking men and women

1 from 18 affiliated local unions. Our
2 jurisdiction covers the Counties of
3 Lucas, Wood, Fulton, Henry, Hancock,
4 Williams, Ottawa, Defiance within the
5 State of Ohio, from electricians,
6 plumbers, carpenters and painters to
7 roofers, insulators, cement masons and
8 many more, we have continuously met the
9 professional construction challenges,
10 commercial, industrial, biotech,
11 governmental, educational, and sports
12 facilities across Northwest Ohio
13 landscapes. There are none more skilled
14 or highly trained in the building and
15 construction industry than the members
16 of the Northwest Ohio Council members.

17 On behalf our organization, I urge
18 your close consideration and approval of
19 FirstEnergy Corporation's proposed
20 Electric Security Plan.

21 I'll address our support for the
22 electrical security plan from two
23 perspectives. First, our members
24 perform hundreds of thousands of man
25 hours each year servicing Davis-Besse

1 nuclear power plant in Oak Harbor,
2 Ohio. This work is very precious to our
3 members and their families. Simply put,
4 we support the Electrical Security Plan
5 primarily on the basis that, if
6 approved, the operation of Davis-Besse
7 Nuclear Power Plant will stay
8 operational on a long-term basis.

9 Second, stability in the energy
10 market helps promote projects. These
11 projects give our contractors the
12 opportunity to go to work. Simply put,
13 the stability in the energy markets,
14 along with distribution systems
15 reliability helps promote industrial
16 development.

17 Thank you for your time and
18 consideration of this very important
19 issue.

20 MR. McKENNEY: Thank you.

21 J.B. Rorick?

22 - - - - -

23 J.B. RORICK,

24 After having been first duly sworn, as
25 hereinafter certified, was examined and testified

1 as follows:

2 MR. RORICK: Chairman Trumbold and
3 members of the Commission, I'm J.B.
4 Roric, President of Cleveland Valve in
5 Ohio and Renew Valve in Carleton,
6 Michigan. I appreciate the opportunity
7 to share my thoughts on the importance
8 of supporting FirstEnergy's proposed
9 rate plan.

10 We are a specialized supplier of
11 valve repair services for power, steel,
12 chemical and refining industries. Our
13 two locations have been in business for
14 over 50 years each. And regarding this
15 case, we use over 60 employees to help
16 maintain and support the coal-fired
17 power plants of FirstEnergy and American
18 Electric Power in Ohio.

19 In the past few years we've seen
20 increased spending by these companies to
21 keep their plants as efficient and
22 reliable as possible. And the growing
23 payrolls echo that increased spending.

24 Cleveland Valve and Renew Valve
25 support FirstEnergy's proposed rate plan

1 for the following reason:

2 Our more than 60 hardworking Ohio
3 and Michigan employees depend on
4 affordable and reliable electricity to
5 support our businesses and local
6 economies.

7 As one of the region's largest
8 energy providers, I believe FirstEnergy
9 has done a good job in keeping electric
10 prices affordable for businesses like
11 ours.

12 As you know, several of the Ohio's
13 large power plants closed in recent
14 years, and we're concerned that this
15 could drive up electricity prices and
16 negatively impact our business.

17 FirstEnergy's plan will help
18 safeguard businesses like ours from
19 price volatility if energy prices rise
20 in the future.

21 The proposed plan provides millions
22 of dollars in funding for economic
23 development, job retention and energy
24 efficiency assistance that will benefit
25 businesses such as ours, while helping

1 create more high-quality Ohio jobs.

2 The plan that helps keep modern,
3 efficient power plants available in and
4 near Ohio to serve Ohio customers.

5 In the long term, alternative,
6 reliable power generation, like using
7 natural gas, is a good solution. But
8 the investments have not been made to
9 adequately replace the power being lost
10 in Ohio.

11 FirstEnergy's rate plan would help
12 maintain grid reliability for Ohioans as
13 the alternative generation is
14 constructed.

15 We truly appreciate FirstEnergy's
16 commitment to serving Ohio's energy
17 needs, and we hope that you will support
18 this solid plan for the State's energy
19 future.

20 MR. McKENNEY: Thank you.

21 Mike Jay?

22 - - - - -

23 MIKE JAY,

24 After having been first duly sworn, as
25 hereinafter certified, was examined and testified

1 as follows:

2 MR. JAY: Commissioner Trombold and
3 members of the Commission, I'm Mike Jay,
4 Director of Strategic Networks for the
5 Toledo Regional Growth Partnership. I
6 appreciate the opportunity to present
7 our partner's perspective on the
8 importance of supporting FirstEnergy's
9 proposed rate plan.

10 As a background, Regional Growth
11 Partnership is a privately-led
12 organization that offers a whole range
13 of traditional business development
14 services. We collaborate with our
15 partners across the region to expedite
16 and simplify the site selection
17 process. We also are Northwest Ohio's
18 network partner for JobsOhio, a private,
19 non-profit corporation designed to drive
20 job creation and new capital investment
21 in Ohio. In addition, we are the
22 creator of Rocket Ventures, a business
23 assistance and pre-seed venture capital
24 organization that operates in an
25 18-county area of Northwest Ohio. The

1 mission of Rocket Ventures is to prepare
2 technology-based start-up companies for
3 funding and sustainability by providing
4 intensive business assistance, enhanced
5 management services and pre-seed
6 investments.

7 I am here out of concern that the
8 closure of many of Ohio's largest power
9 plants and the potential for future
10 retirements will lead to more job losses
11 and rising electricity prices in the
12 years ahead for our region. For these
13 reasons, I am urging your support for
14 FirstEnergy's proposed rate plan.

15 FirstEnergy's plan will keep
16 electricity affordable and help ensure
17 the continued operation of Ohio power
18 plants, including the Davis-Besse
19 Nuclear Power Plant. Currently, the
20 long-term viability of this plant, along
21 with the jobs and sustainable economic
22 benefits it brings to our communities
23 may be at risk.

24 Davis-Besse has a profound effect
25 on our local economy with an annual

1 economic impact of more than \$400
2 million in Ottawa County alone,
3 according to a recent economic impact
4 study. In addition to contributing
5 millions of dollars each year in local
6 tax revenues, they support schools and
7 essential services, such as police and
8 fire department, that plant provides
9 hundreds of high-paying jobs with
10 millions of dollars in annual payroll.
11 Davis-Besse also creates thousands of
12 additional jobs associated with ongoing
13 maintenance and refueling projects.

14 Last, but not least, Davis-Besse
15 provides a clean, carbon-free, long-term
16 source for power for our region and our
17 state.

18 I hope you will support
19 FirstEnergy's plan to keep energy
20 affordable and protect Ohio's jobs.
21 Thank you.

22 MR. McKENNEY: Thank you.

23 Victoria Clemons?

24 - - - - -

25 VICTORIA CLEMONS,

1 After having been first duly sworn, as
2 hereinafter certified, was examined and testified
3 as follows:

4 MS. CLEMONS: My name is Victoria
5 Clemons. I'm a resident of Port
6 Clinton, Ohio, 330 East Perry Street,
7 Port Clinton, Ohio.

8 I believe that this is nothing more
9 than forward profit funding.

10 FirstEnergy is doing nothing more than
11 borrowing \$3 billion from Ohioans from
12 future years to pay for their outdated
13 and dirty energy plants. This is the
14 equivalent of J. Wellington Wimby, the
15 soft-spoken, intelligent and glutinous
16 scam artist saying, "I will gladly pay
17 you Tuesday for a hamburger today." Why
18 can't FirstEnergy borrow \$3 billion
19 dollars from past profits. Pay the
20 stockholders back over the next 15
21 years.

22 The game now, I believe, is to
23 evade the Public Utilities Commission of
24 Ohio and Ohio's Alternative Energy Bill
25 for the next 15 years. FirstEnergy has

1 dug deep into its pocket and pulled out
2 the craziest payment gimmick ever put
3 together. Ohio lawmakers have froze
4 Ohio's Alternative Energy Bill to keep
5 our utilities from rising. Yet here we
6 are today increasing our electric
7 bills. Is it even necessary? You have
8 before you an army of corporate lawyers
9 doing a lot of work to violate Ohio's
10 deregulation laws to make Ohioans pay
11 too much for electricity and to operate
12 the Davis-Besse Nuclear Power Plant on
13 the edge of catastrophe.

14 The economic analysis that was
15 released last week by the Nuclear Energy
16 Institute included two very important
17 points and, therefore, should have no
18 basis in any of your deliberating. The
19 analysis did not incorporate the
20 negative impact on FirstEnergy customers
21 having to pay these higher prices, nor
22 did it discuss Davis-Besse's retirement
23 with any discussion of what would
24 replace it or the economic gains from
25 the increased employment and new energy

1 plan. The economic analysis of a plant
2 cannot be done in a vacuum. A
3 comprehensive analysis is required to
4 fully understand any economic benefits
5 or harm from retiring Davis-Besse, which
6 was not done. The Nuclear Energy
7 Institute is also making an attempt to
8 influence this Commission and our
9 customer -- and the customers of this
10 area with the gloom and doom scenario of
11 the recent closing of Vermont Yankee.
12 Vermont Yankee closed on December 28th,
13 and there was very little discussion
14 they could say in the report. Vermont
15 actually began its transition to
16 renewable energy over a decade ago, and
17 now has a goal of 90 percent for the
18 year 2050. Their employment rate is 4.3
19 percent. It's a similar situation in
20 Germany in 2011, after Fukushima, they
21 abandoned nuclear. There's 370,0000
22 jobs that were added to the economy, and
23 they now have the lowest unemployment
24 rate since reunification 25 years ago,
25 now at five percent.

1 What would the economic benefits be
2 if this rate increase money just stayed
3 in the hands of Ohio families and
4 businesses? What would happen if you
5 would just say no? No one has told me
6 that yet.

7 This is a theoretical payment
8 program. FirstEnergy was not thorough
9 in its analysis to conclude that the
10 proposed ESP and the Rider RRS
11 transaction is in the best interest of
12 its customer, especially for the 14
13 percent of Ohioans over the age of 65.
14 This is an attack on our seniors, and
15 asking seniors to pay more so that they
16 can pay less later, will senior's
17 benefit? Thank you for this opportunity
18 to speak with you.

19 MR. McKENNEY: Doug Jambard-Sweet?

20 - - - - -

21 DOUGLAS JAMBARD-SWEET

22 After having been first duly sworn, as
23 hereinafter certified, was examined and testified
24 as follows:

25 MR. SWEET: I would like to thank

1 the Commission for this opportunity to
2 speak. My name is Douglas Jambard-
3 Sweet, 808 Village Trail, Maumee, Ohio.

4 In the 1990s, deregulation was
5 pushed by commercial customers rankled
6 by utilities that built too many power
7 plants and saddled customers with the
8 tab. Deregulation was supposed to let
9 customers buy electric from more-
10 efficient, competing suppliers, to
11 prevent utilities from favoring their
12 own plants, many had to sell the
13 generators to unregulated affiliates or
14 to independent power wholesalers.

15 Now FirstEnergy is asking Public
16 Utilities Commission to guarantee
17 profits at the consumer's expense for
18 its own deregulated power plants, to
19 wit, Davis-Besse Nuclear Plant, which is
20 beleaguered with aged and cracking
21 containment walls, and the outdated and
22 dirty W.H. Sammis coal-fired generating
23 plant.

24 FirstEnergy's proposal could cost
25 customers \$3 billion over the term of a

1 15-year agreement, just so that the
2 utility can maintain executive pay
3 scales and investor profitability.
4 Under the 1999 law, electric utility
5 providers profits should be determined
6 by the market, not guaranteed by
7 consumers. This does not sound like
8 free-market capitalism to me.

9 Customers have already paid
10 billions of dollars to assist
11 FirstEnergy in changing over to
12 deregulated power under the 1999 Ohio
13 law. Now the company wants customers to
14 pay yet again. And once rate payers
15 have guaranteed FirstEnergy profits,
16 who's to say they won't come back to the
17 trough again before 15 years is up and
18 request another disaster-type capitalism
19 bailout before the promised rate
20 deduction kicks in?

21 Despite what our representatives
22 would like us to believe in Columbus,
23 there are cheaper and cleaner energy
24 alternatives out there, and these
25 alternatives will create more jobs than

1 these two decrepit, outdated mammoths
2 from a bygone era ever did.

3 It's time to make FirstEnergy play
4 by the same free-market rules we all are
5 supposed to be operating under and to
6 compete fairly. The brand of corporate
7 welfare FirstEnergy has the temerity to
8 ask for is, frankly, un-American and
9 threatens the free market and our
10 dearly-held democratic principles.

11 Thank you.

12 MR. McKENNEY: Jennifer Fehnrich?

13 - - - - -

14 JENNIFER FEHNRICH,

15 After having been first duly sworn, as
16 hereinafter certified, was examined and testified
17 as follows:

18 MS. FEHNRICH: Good evening. I'm
19 Jennifer Fehnrich, Executive Director of
20 Government and Community Relations for
21 Owens Community College. I appreciate
22 the opportunity to share my thoughts on
23 the importance of supporting
24 FirstEnergy's proposed Electric Security
25 Plan, Powering Ohio's Progress.

1 Owens is celebrating its 50th
2 anniversary as the leading provider of
3 higher education and workforce training
4 in Northwest Ohio. Owens is an
5 accredited, two-year state institution
6 and fulfills diverse academic and
7 workforce needs through associate
8 degrees, certificates, industry
9 credentials, and more than 130 technical
10 programing areas. More specifically,
11 the college's workforce and community
12 services division is known for
13 effectively creating and providing
14 short-term certificates that are highly
15 customized to business and industry. In
16 the last 12 months alone, Owens has
17 assisted more than 270 area businesses
18 to train nearly 10,000 people in areas
19 such as skilled trades, supervisory,
20 compliance and safety.

21 At Owens, we understand the
22 critical need to embrace activity that
23 drives economic development in our
24 region. It is essential to fostering
25 growth, creating jobs, and sustaining a

1 highly-trained workforce. FirstEnergy
2 fully understands the importance of
3 being a economic driver as well.

4 FirstEnergy and Owens have been in
5 partnership for more than a decade to
6 offer the award-winning Power Systems
7 Institute, which prepares the next
8 generation of utility line and
9 substation workers through a customized
10 training program. FirstEnergy partners
11 with Ohio's community colleges and
12 universities through this program to
13 sustain a trained workforce that
14 benefits the entire region
15 economically.

16 Owens State Community College urges
17 you to support FirstEnergy's proposed
18 Electric Security Plan and offers the
19 following additional thoughts for your
20 consideration:

21 Not only will this plan help ensure
22 that vital baseload powers plant in Ohio
23 remain available to support the state's
24 economic future, it will also help
25 preserve the significant resources

1 FirstEnergy provides in support of
2 educational institutions like Owens
3 State Community College.

4 Educational initiatives are a
5 priority for FirstEnergy, and the
6 company supports programs and projects
7 that advance in educated workforce.

8 Teachers in Ohio communities count
9 on FirstEnergy's support through much-
10 needed grants and educational material.

11 For example, the company has been
12 assisting teachers for years through
13 programs that promote electrical safety,
14 career development, proficiency and
15 skills development for students, STEM
16 education, which is Science Technology
17 Engineering and Mathematics, literacy
18 and other initiatives.

19 Since 2001, FirstEnergy has awarded
20 more than 445 STEM education grants to
21 educators and youth group leaders for
22 projects ranging from electric safety,
23 magnetism and robotics to the physics of
24 kites, superconductors, and high-speed
25 transportation.

1 In addition, the FirstEnergy's
2 Educational Advisory Council, a panel of
3 school teachers and administrators, help
4 FirstEnergy create and select timely and
5 relevant educational material that it
6 provides to local schools and community
7 groups.

8 Through its proposed Electrical
9 Security Plan, FirstEnergy will
10 contribute up to \$21.5 million in
11 funding for economic development, job
12 retention, and energy efficiency
13 assistance that will benefit Ohio
14 community colleges and universities,
15 small businesses, local communities and
16 low-income customers during the three-
17 year term of the plan.

18 We rely on FirstEnergy to not only
19 serve our region's electric needs, but
20 to be help support educational
21 initiatives in our region.

22 For these reasons, we encourage you
23 to approve Powering Ohio's Progress.

24 Thank you.

25 MR. McKENNEY: Thank you.

1 Steve Stewart?

2 - - - - -

3 STEVE STEWART,

4 After having been first duly sworn, as
5 hereinafter certified, was examined and testified
6 as follows:

7 MR. STEWART: Good evening
8 everybody. My name is Steve Stewart.
9 I'm a pipefitter for 15 years. I'm now
10 in the Business Development Department
11 with Local 50, Plumbers, Steamfitters,
12 and Service Mechanics.

13 Thank you for the opportunity to
14 present my perspective on the importance
15 of supporting FirstEnergy's proposed
16 rate plan.

17 Ohio's power plants create
18 thousands of union jobs and increase
19 major infrastructure projects that put
20 our members to work. We are greatly
21 concerned that numerous power plants in
22 the state have permanently shut down in
23 recent years, and many more are expected
24 to close in the years ahead. Further
25 decline in our electric power industry

1 could cost thousands of union jobs and
2 discourage industrial development
3 opportunities across the state and leave
4 our electric system vulnerable to
5 instability. This is an outcome that
6 Ohio cannot afford.

7 Already there have been reductions
8 in operations and capital improvement
9 expenditures at numerous power plants
10 and manufacturing facilities statewide.
11 Industrial construction hours for
12 certain segments of the industry are
13 down 53 percent from 2008, very much to
14 the detriment of our union members and
15 Ohio's economy.

16 Consistent with our interest in
17 creating construction jobs, we're urging
18 your support of FirstEnergy's proposed
19 rate plans. The plan strikes the right
20 balance between keeping electricity
21 affordable for customers while helping
22 to ensure the continued operation of key
23 power plants built to serve Ohio
24 customers. They include the Davis-Besse
25 Power Plant -- Nuclear Power Station,

1 the W.H. Sammis plant, and the Ohio
2 Valley Electric Corporation.

3 Together, the ongoing operations at
4 these plants create significant economic
5 impact in the state annually and support
6 thousands of jobs. However, unless we
7 take action, the long-term viability,
8 along with the jobs and substantial
9 economic opportunities they bring to our
10 members, may be at risk.

11 I respectfully request that you
12 support FirstEnergy's plan to keep
13 energy affordable and to protect Ohio's
14 jobs. Thank you.

15 MR. McKENNEY: Thank you.

16 June Beard?

17 - - - - -

18 JUNE BEARD,

19 After having been first duly sworn, as
20 hereinafter certified, was examined and testified
21 as follows:

22 MS. BEARD: Good evening,
23 Commissioners and members of the
24 Commission. I'm June Beard, an
25 elementary reading specialist in the

1 Benton-Carroll-Salem School District in
2 Ottawa County, Ohio. I've lived in the
3 Carroll Township/Oak Harbor community my
4 entire life. I am a product of the
5 Benton-Carroll-Salem School District and
6 my own children are currently enrolled
7 in the system. I would like to thank
8 you for the opportunity to present my
9 perspective tonight on the importance of
10 supporting FirstEnergy's proposed rate
11 plan.

12 As you know, many of Ohio's power
13 plants have closed in recent years due
14 to a challenging economy, and more
15 plants are expected to retire in the
16 future. This means more Ohio jobs lost,
17 rising electricity prices in the years
18 ahead, and negative outcomes for our
19 communities.

20 For these and other reasons, I
21 would like the Commission to approve
22 FirstEnergy's proposed plan. It will
23 keep electricity affordable and help
24 ensure the continued operation of Ohio
25 power plants, including the Davis-Besse

1 Nuclear Power Plant located within the
2 Benton-Carroll-Salem School District.

3 FirstEnergy's continued operation
4 of Davis-Besse yields great benefits to
5 our school system, from tax revenue to
6 professional development provided to
7 teachers like me.

8 Living in Ottawa County my entire
9 life, I can tell you firsthand that
10 Davis-Besse has a profound impact on our
11 community. Many of our students have
12 parents who work at Davis-Besse, and
13 they rely on the plants well-paying jobs
14 to support their families. These good
15 jobs are also critical to many of my
16 family members, friends and neighbors.

17 While we depend on FirstEnergy to
18 serve our region's needs for affordable
19 and reliable power, we also rely on the
20 company to support educational
21 initiatives in our region. As a
22 schoolteacher, approval of the plan is
23 important to me because it will help
24 preserve the significant resources that
25 FirstEnergy provides to educational

1 institutions such as R.C. Waters
2 Elementary school and other schools in
3 the district.

4 Last, but certainly not least, the
5 plant provides a clean, carbon-free,
6 long-term source of power for my
7 community, the region, and our state. I
8 hope you will support this plan to keep
9 energy affordable and protect Ohio
10 jobs. Thank you.

11 MR. McKENNEY: Thank you.

12 Mario Cespedes?

13 - - - - -

14 MARIO CESPEDES,

15 After having been first duly sworn, as
16 hereinafter certified, was examined and testified
17 as follows:

18 MR. MARIO: Good evening,
19 commissioners and company. My name is
20 Mario Cespedes, and I represent the
21 Laborers' International Union of North
22 America. I'm speaking on behalf of
23 Laborers Local 480. I appreciate the
24 opportunity to testify before you all
25 and in support of the FirstEnergy's

1 proposed Electric Security Plan.

2 Local 480 represents about 600
3 construction laborers in northwest
4 Ohio. We're part of a larger district
5 council throughout Ohio that represents
6 over 20,000 construction laborers.

7 On behalf of Local 480, I'm asking
8 for your support of FirstEnergy's
9 proposed plan because Ohio's power
10 plants bring thousands of union jobs
11 whose major infrastructure is throughout
12 the State of Ohio. They put our Union
13 members to work.

14 As a members of the Labor
15 International Union of America, our
16 livelihood is impacted by the rise and
17 fall of the state's economy. Local 480
18 also has a strong working relationship
19 with the Davis-Besse plant in Oak
20 Harbor.

21 I know a large number of baseload
22 power plants across the region are being
23 permanently shut down, retired due to
24 regulatory issues, through market
25 pressures of the economy, and we do

1 expect more retirements to be
2 occurring.

3 Further decline in Ohio's electric
4 power industry costs thousands of union
5 jobs and hurts our members, and that's
6 why I'm here. For the security of the
7 Davis-Besse plant, the long-term
8 benefits of the state's economy, I ask
9 you support this proposed plan.

10 The Laborers International Union of
11 North America and Local 480 is in favor
12 of the plan because in long term we
13 think it will keep electricity
14 affordable, ensure Ohio power plants
15 continue to operate and create
16 substantial economic opportunities they
17 have for our members, and support those
18 kinds of jobs that we have, the well-
19 paying and sustainable -- family
20 sustaining jobs -- excuse me.

21 We believe it is a win for not only
22 our members, but also for the community,
23 because of the millions of dollars of
24 taxes the plant pays annually to help
25 pay for our local services. This plan

1 will also help provide up to
2 \$21-and-a-half million in funding for
3 economic development, job retention, and
4 energy efficiency that will benefit
5 businesses, at the same time help
6 sustain family-sustaining jobs as we
7 have here with the laborers. Thank you.

8 MR. McKENNEY: Thank you.

9 Brad Goetz?

10 - - - - -

11 BRAD GOETZ,

12 After having been first duly sworn, as
13 hereinafter certified, was examined and testified
14 as follows:

15 MR. GOETZ: Good evening, members
16 of the Commission. My name is Brad
17 Gates. I'm a business manager of
18 International Brotherhood of Electric
19 Workers Local 1413. I appreciate the
20 opportunity to testify in support of
21 FirstEnergy's proposed Electric Security
22 Plan.

23 We represent approximately 150
24 members at the Davis-Besse plant. On
25 behalf local 1413, I'm asking for your

1 support of FirstEnergy's proposed
2 Electrical Security Plan.

3 Ohio power plants create thousands
4 of union jobs and produce major
5 infrastructure projects that put union
6 workers to work. There are currently
7 around 700 full-time employees at Davis-
8 Besse, and in Ann Arbor, there's enough
9 work for upwards of 1,600, and that
10 includes the contractors.

11 As members of Local 1413, our
12 livelihood is impacted by the rise and
13 fall of the state's economy.
14 Essentially, the union has a strong
15 working relationship with FirstEnergy.
16 We support this plan.

17 There are large a number of
18 baseload power plants across the region
19 that are going to be retired due to
20 regulatory issues, market pressures, and
21 more retirements are expected. They say
22 by 2015 we are going to lose over 6,000
23 megawatts of power just in the State of
24 Ohio. We can't afford to lose anymore.

25 Per the decline in Ohio's electric

1 power industry, it costs thousands of
2 union jobs and discourages industrial
3 development opportunities across the
4 state.

5 I believe this is a win/win for my
6 brothers and sisters in Local 1413 and
7 for myself. It's more that \$52 million
8 in taxes the plant paid annually to help
9 support local services.

10 I believe that if we don't support
11 the plan, there will be no winners, only
12 losers, from the full-time employees at
13 Davis-Besse, to the residential and
14 industrial customers, to the counties,
15 state, and most important, to our kids
16 and our school system. This is why
17 Local 1413 supports FirstEnergy's plan.
18 Thank you.

19 MR. McKENNEY: Thank you.

20 Chuck McCune?

21 - - - - -

22 CHUCK McCUNE,

23 After having been first duly sworn, as
24 hereinafter certified, was examined and testified
25 as follows:

1 MR. McCUNE: Good evening Chairman
2 and members of the Commission. My name
3 is Chuck McCune. I am a 35-year member
4 of the International Local Electrical
5 Workers. I appreciate this opportunity
6 to testify before you in support of
7 FirstEnergy's proposed Electric Security
8 Plan, Powering Ohio's Progress. I am
9 here tonight to urge you, the PUCO of
10 Ohio, to support FirstEnergy's proposed
11 Electrical Security Plan.

12 FirstEnergy's plan is the right
13 plan for Ohio's electricity needs now
14 and also in the future. FirstEnergy's
15 plan is about reliable and affordable
16 baseload power, which is the backbone of
17 our electrical generating system. And
18 without this, we will be rolling the
19 dice on consistent, affordable
20 electricity now and in the future.

21 I am a professional electrical
22 worker and a member of the International
23 Brotherhood of Electrical Workers Local
24 8. In this area I have seen firsthand
25 what can happen to a family, a business,

1 an industry if electricity is not
2 available and reliable. Dependable,
3 baseload electricity is the cornerstone
4 for commercial and industrial growth.
5 And without it in this state, it will be
6 -- and without it, we'll not be able to
7 attract new businesses and jobs, and
8 Ohio cannot afford that.

9 We all know that there are new
10 fuels to make electricity, but does that
11 mean we should forget about other
12 reliable ways? I don't think so. What
13 we need is a plan, like FirstEnergy's
14 proposed Electrical Security Plan,
15 because with this plan we are
16 diversifying Ohio's electrical
17 generating ability. And that only makes
18 us secure. Secure with reliable
19 electricity at a consistent cost.
20 Secure with no loss of jobs from
21 shutting down plants. Secure with new
22 jobs. And secure with predictable and
23 future growth. Diversity in electrical
24 generation is the key to Ohio's
25 success. And with FirstEnergy's plan,

1 Powering Ohio Progress, Ohio is striking
2 the right balance by keeping electricity
3 affordable for its customers, while
4 helping to ensure continued operation of
5 Ohio's most efficient and clean power
6 plants.

7 Unless the PUCO takes action and
8 endorses FirstEnergy's plan, Ohio is
9 going to lose economic opportunities,
10 electrical reliability and jobs. We
11 respectfully request that you support
12 this plan to keep energy reliable,
13 affordable, and protect Ohio jobs and
14 growth. Thank you for your
15 consideration, and please contact me if
16 I can be of any assistance.

17 MR. McKENNEY: Thank you.

18 Pat Marida?

19 - - - - -

20 PAT MARIDA,

21 After having been first duly sworn, as
22 hereinafter certified, was examined and testified
23 as follows:

24 MS. MARIDA: Members of the
25 Commission, my name Patricia Marida. I

1 live in Columbus, Ohio. I'm a
2 pharmacist and a health professional.
3 And I would like to thank the PUCO for
4 setting up these forums and giving the
5 public the opportunity to speak.

6 The PUCO is holding these hearings
7 in the process of determining whether or
8 not FirstEnergy's -- to accept
9 FirstEnergy' request for a power
10 purchase agreement. Or is it a purchase
11 power agreement?

12 Floating around is a massive amount
13 of contradictory information.
14 FirstEnergy says that their proposal
15 will save rate payers \$2 billion. The
16 Consumers' Counsel says it will cost
17 rate payers \$3 billion. PUCO members
18 are appointed for their expertise. I,
19 and perhaps others, are confused because
20 public -- because the public should be
21 able to count on the PUCO to have
22 accurate information from independent
23 sources and analysts at the tip of your
24 fingers about all the aspects of utility
25 costs when making decisions.

1 Wouldn't it be part of the process
2 for the public to see the independent
3 data the PUCO is relying upon when
4 making its decision? Is this
5 available? Sort of a rhetorical
6 question. I'm not asking for an answer
7 now. But can we see the analysis upon
8 which you are relying?

9 Now let's following the money
10 trail. Is FirstEnergy going to ask for
11 something that will decrease their
12 profits? It is a fact that
13 FirstEnergy's proposal has the ability
14 to make rate payers pay a higher-than-
15 market -- higher-than-competitive price
16 for electricity? Now, are we just
17 supposed to take their assurances that
18 this won't happen?

19 The PUCO's job is not to prop up a
20 private, unregulated company, one that
21 want us to remain in the twentieth
22 century and rely on dangerous nuclear
23 and dirty coal.

24 Both the Davis-Besse reactor and
25 the Sammis coal plant are in need of

1 extensive, expensive repairs. These
2 plants should be closed rather than kept
3 going, let alone make the public pay for
4 costly upgrades to keep them afloat.

5 FirstEnergy, like other Ohio
6 utilities, drag its feet relentlessly,
7 even more so than the other utilities,
8 in implementing SB-221, Ohio's Renewable
9 and Energy Efficiency Law. FirstEnergy
10 did only the bear minimum to meet the
11 standards, where the others went ahead
12 and did even more. Then the company
13 lobbied hard to pass Senate Bill 310,
14 the bill that put the same renewable and
15 efficiency programs on hold. So they
16 obviously undercut competition for their
17 dirty, central source of nuclear and
18 coal. Then they asked for a rate payer
19 bailout to keep their unprofitable
20 sources running.

21 Ohio efficiency standards would
22 have continued to pay back to consumers,
23 continuing to reduce the cost of
24 electricity over time as efficiency
25 continues.

1 FirstEnergy bought electricity from
2 one of its subsidiaries at a higher
3 than market price, passing on excessive
4 costs to the rate payers. This is not a
5 company that the public or the PUCO can
6 rely on. So who are we, the public,
7 speaking out against FirstEnergy? Who
8 is the putting the money in our
9 pockets? What nefarious conspiratorial
10 plot have we concocted to create a
11 better world; a world where emergency
12 planning zones are not needed or wind
13 farms; a world where iodine tablets are
14 not stocked for solar arrays? We
15 consider FirstEnergy's actions to be in
16 bad faith, particularly in the light of
17 threats to public health due to changing
18 climate brought on by burning coal and
19 other carbon sources. Health threats
20 from nuclear power due to radioactive
21 and carbon pollution that stretches
22 through Uranium mining, milling,
23 refining, conversions, enrichments, fuel
24 fabrications, deconversions,
25 reprocessing from mock fuel and

1 radioactive waste. How much energy do
2 all of these industries and processes
3 use for the production of nuclear
4 power? How much energy will be needed
5 to keep radioactive waste isolated for
6 hundreds of thousands of years? This is
7 not a carbon-free source of
8 electricity.

9 The Union of Concerned Scientists
10 has a 2011 report. Nuclear power still
11 not viable without subsidies, which
12 outlines that, in some cases, the
13 subsidies for nuclear power exceeded the
14 value of the electricity produced.
15 America does not need this to continue.
16 And I think some of this relates to the
17 dangers of a large industry that come --
18 sort of a company area or company town,
19 they inevitably go out of business. It
20 happens everywhere. And when they go
21 down, it's problematic for the area.
22 And there are fears of economic decline,
23 which is exactly why we need more wind
24 and solar that's not centralized.
25 Decentralized. You don't need a large

1 grid to send its supplies power
2 locally. So it doesn't need to go
3 halfway across the country like solar
4 array.

5 And I would just like to say a
6 couple words about the Davis-Besse plant
7 with -- it's been plagued with accidents
8 and violations. When people have talked
9 about it -- I would like to talk a
10 little bit about this. In 1972 a strong
11 wind caused lake water to flood the
12 construction site for a month. Davis-
13 Besse has had six significant accident
14 sequence precursors out of 34 total in
15 the U.S.

16 In October 1977 a pilot-operated
17 release valve stuck open, and an
18 incident almost identical to the cause
19 of the 1979 meltdown at Three-Mile
20 Island. Had the Nuclear Regulatory
21 Commission asked all similar pressurized
22 water reactors to correct this problem,
23 the Three-Mile Island incident could
24 have been avoided.

25 In June 1985 a potentially

1 catastrophic 12-minute loss of coolant
2 even idled the plant event -- excuse
3 me -- idled the plant for more than a
4 year. But there didn't seem to be any
5 catastrophe or economic catastrophe
6 happening there. The NRC referred to
7 the accident as the worse since Three-
8 Mile Island. A director tornado in 1998
9 caused complete loss of power and
10 destroyed the alert communication and
11 emergency systems of Davis-Besse and
12 threatened a meltdown.

13 In 2002 a delayed inspection found
14 that boric acid had eaten through seven
15 inches of the steel reactor lid with
16 only a bulging 3/16th-inch steel liner
17 prevented radioactive catastrophe.

18 A photo was found taken earlier
19 that showed major corrosion on the
20 outside of the vessel, but this was
21 ignored. The hole-in-the-head fiasco
22 resulted in the largest fine in Nuclear
23 Regulatory Commission, \$33-and-a-half
24 million. The plant was idle for two
25 years, costing rate payers \$600

1 million. So two years that the plant
2 was offline.

3 In 2003 FirstEnergy's failure to
4 trim trees along transmission lines
5 caused the second largest power outage
6 in our history, the northeast blackout
7 that impacted 55 million Americans and
8 Canadians. Now, the reactor head was
9 replaced twice due to cracking. So
10 those are just some of the logistics and
11 statistics that I'll give you today.
12 Thank you very much.

13 MR. McKENNEY: Thank you.

14 Tim Chavez?

15 - - - - -

16 MR. CHAVEZ: I'm going to pass.

17 MR. McKENNEY: You're going to
18 pass. Thank you.

19 Dan Rutt?

20 - - - - -

21 DAN RUTT,

22 After having been first duly affirmed,
23 as hereinafter certified, was examined and
24 testified as follows:

25 MR. RUTT: My name is Dan Rutt.

1 I'm citizen of Toledo and this great
2 planet. I have a BS in biology. I have
3 a Master's Degree in public health. I'm
4 a breather of polluted air from coal-
5 fired electric generators. I share with
6 you a planet that's threatened by global
7 climate instability due to pollution
8 from carbon dioxide and so-called
9 natural gas, more accurately described
10 as methane. I live in the deathly
11 shadow of Davis-Besse, the aging nuclear
12 power plant with the worst safety record
13 in the U.S., with some thanks to the
14 couple of nuclear plants which have been
15 wisely closed recently for safety and
16 economic reasons. It's Davis-Besse's
17 turn, hopefully to be decommissioned and
18 not blow up. To you who live outside
19 the reason, welcome to Davis-Besse's
20 kill zone.

21 I will take my precious few minutes
22 to plead with PUCO, charged with
23 protecting public health and economic
24 sanity. Do not allow the building of a
25 pipeline from FirstEnergy's corporate

1 board room to the public purse. The
2 boondoggle that is the Davis-Besse
3 nuclear plant drives this issue. Davis-
4 Besse is a poor investment economically,
5 a perilous venture environmentally and a
6 catastrophic threat to human life along
7 the Great Lakes. The federal government
8 already indemnifies the nuclear industry
9 from full accountability for
10 catastrophic events. PUCO should not go
11 further -- should not further this lack
12 of accountability by forcing the public
13 to invest in nuclear plants. If
14 anything, we should disinvest from
15 nuclear power.

16 FirstEnergy has lobbied to prop up
17 coal and nuclear as the way of the
18 past. We need change, not
19 infrastructure and rate plans which will
20 lock us into an unsustainable future.
21 Still worse, FirstEnergy has lobbied to
22 block the transmission to renewable
23 energy, the way of the future. If
24 FirstEnergy's allowed to pass on most or
25 all of the risk of its increasingly

1 risky ventures to the public, that is
2 the rate payers and biological entities
3 susceptible to lethal radiation
4 catastrophes, then I suspect that this
5 could trigger a rush of entrepreneurial
6 types want to PUCO all over Ohio.

7 The energy industry is quite adept
8 at playing the hodgepodge of regulatory
9 agencies for its own profit. They are
10 experts at leveraging the narrowness of
11 regulatory agencies' perspectives and
12 authority, which, given time limitations
13 here, may be summed up as: It's not my
14 job and I'm only doing my job.
15 Ironically, this may leave us with
16 somebody's job, even a so-called good
17 job, but no livable world. If your work
18 leads to the destruction of the planet,
19 then it is not a good job. Job one must
20 be protecting the planet. This includes
21 accountability for those who would
22 invest in the destruction of our planet
23 for profit.

24 There is little doubt that we are
25 being gamed. If we don't get wise to

1 this, there will likely be many losers
2 and few winners. I wonder if perhaps
3 this issue might be better served by a
4 change of venue. Perhaps we should add
5 to the mix oversight by the Lottery
6 Commission or Casino Control Mission.
7 It might be more honest. Perhaps we
8 could turn the old Besse into a cash
9 cow, convert it from a white elephant
10 into a casino. We could call it
11 "Chernobyl on the Lake, an Eerie
12 Adventure." We could feature Russian
13 Roulette. Unfortunately, we the public
14 are already subject to a game of Russian
15 Roulette, playing with nuclear
16 catastrophe and the steamroller of
17 climate instability. Free us from this
18 deadly game. Help us pave the way to a
19 new and sustainable future. Disapprove
20 this proposed rate plan, the robbery of
21 the many to enrich the few, and a
22 dangerous course for all.

23 MR. MCKENNEY: Thank you.

24 Ken Fisher?

25 - - - - -

1 KEN FISHER,

2 After having been first duly sworn, as
3 hereinafter certified, was examined and testified
4 as follows:

5 MR. FISHER: My name is Ken

6 A. Fisher. I'm a resident of Toledo,
7 Ohio. I have been a construction
8 electrician for over 41 years.

9 Currently am the business representative
10 of the IBW Local 8, representing 2,000
11 members, inside wiremen, fully vetted
12 video technicians, residential wiremen.
13 I'm also co-chairman of our joint
14 impression and training committee, which
15 oversee the training of our apprentices
16 and our journeymen. And I'm also
17 chairman of the Toledo Electrical Board
18 Control.

19 I've worked at Davis-Besse over two
20 years in my apprenticeship. I've worked
21 there numerous times as a journeyman.
22 I've been in a supervisory capacity for
23 the anticipatory reactor trip system,
24 installation and also the DC BUS
25 installation of Davis-Besse. When you

1 work at Davis-Besse, the requirement for
2 quality installation is excellent. I
3 mean, you have to put in everything
4 right. It's checked by quality
5 control. And it's very secure, what we
6 do there, and all the trades.

7 I do not believe that Davis-Besse
8 is a threat to the environment. I
9 believe it produces electricity at a
10 reliable rate and safety, compared to
11 Chernobyl. Chernobyl was built in a
12 garage. Davis-Besse has a three-inch
13 containment vessel and also three feet
14 of concrete around it, which is pretty
15 substantial.

16 I've also worked at the Acme Power
17 Plant, which is now totally removed from
18 the City of Toledo on Front Street.
19 It's closed down. I've worked at the
20 Bay Shore Power Plant. I believe three
21 of those generators are now offline. So
22 my fear is that by closing these power
23 plants, we're going to some day be in a
24 quandary for power. I've also, in my
25 position, been involved with nuclear and

1 -- I mean, not nuclear, but solar and
2 wind turbines. There have been some
3 installations. And we represent 12
4 counties in northwest Ohio. There was
5 renewable energy credits in the State of
6 Ohio. That has now been eliminated.
7 And the jobs, the installations of those
8 solar and wind turbines have decreased.
9 So I'm in support of FirstEnergy's rate
10 plan here. I would encourage you to
11 support it also. Thank you.

12 MR. McKENNEY: Thank you.

13 Sean Nestor?

14 - - - - -

15 SEAN NESTOR,

16 After having been first duly sworn, as
17 hereinafter certified, was examined and testified
18 as follows:

19 MR. NESTOR: Hello. My name is
20 Sean Nestor. Speaking today as a
21 29-year-old life-long resident of
22 Toledo. I hope to live to be a 59-year-
23 old resident of Toledo.

24 I speak today to oppose the rate
25 plan on the grounds that what we're

1 looking at is very difficult for me to
2 comprehend. What is the value of having
3 private energy companies that have some
4 of the worst safety records for a
5 nuclear power plant in the country? And
6 then we turned around and we're going to
7 reward that with a taxpayer bailout. I
8 fail to understand what any of the value
9 of this is.

10 I find it unconscionable about
11 being asked to pay out of my tax dollars
12 to subsidize outdated and dangerous
13 nuclear power plants. And there is a
14 very, very real problem here which many
15 people have pointed out, which is the
16 economic security of a lot of good, hard
17 working people. But if you look outside
18 the people who are economically held
19 hostage by FirstEnergy, what you are
20 left with is a completely, indefensible
21 position. I think any fair and
22 objective evaluation of what we're doing
23 environmentally, socially, ethically,
24 morally, spiritually would lead you to
25 that conclusion.

1 The last thing I have to say is,
2 I'm an instructor at Owens Community
3 College, and the talking head from my
4 institution that was here earlier does
5 not speak for me. I'm the instructor
6 involved with fulfilling the mission of
7 the school, and she does not speak for
8 me. Thank you.

9 MR. McKENNEY: Thank you.

10 Joseph Demare? Joseph Demare?

11 - - - - -

12 JOSEPH DeMARE,

13 After having been first duly sworn, as
14 hereinafter certified, was examined and testified
15 as follows:

16 MR. DEMARE: Good evening, and
17 thank you for coming to Toledo. I
18 appreciate this opportunity to respond
19 to the proposed rate plan. And I wanted
20 to start by doing a little something
21 here, more to the benefit of the
22 audience than the Commissioners, I'm
23 sure. But I want to read the mission
24 statements of the Public Utility
25 Commission of Ohio.

1 "Our mission is to assure all
2 residential and business consumers
3 access to adequate, safe, reliable
4 utility services at fair prices while
5 facilitating an environment that
6 produces competitive choices." I submit
7 that this proposal fails your mission
8 test on every single particular.

9 In regards to safe, you've already
10 heard some of the testimony that Davis-
11 Besse is, in fact, one of the most
12 dangerous plants in the nation. I'm
13 involved -- oh, and I would like to add
14 that I am speaking as part of the Ohio
15 Green Party. I'm on the State
16 Committee, and I'm empowered to speak on
17 issues regarding Davis-Besse. So
18 I'm excited -- you're going to find this
19 confusing, but when I'm talking about
20 Davis-Besse, I'm talking as the Green
21 Party Official. When I talk about other
22 issues, I'm talking as myself as a
23 person.

24 So safety. When we -- Ohio Green
25 Party is one of the interveners in

1 Davis-Besse's relicensing application.
2 And in the process of that application,
3 we were told we were not allowed to
4 bring up the potential economic
5 consequences of a catastrophic failure
6 to Davis-Besse, and the reason was that
7 the Nuclear Regulatory Commission had
8 determined that such a catastrophic
9 failure was mathematically impossible.
10 Literally, ten days later after that
11 testimony in court, the Fukushima
12 disaster happened and four nuclear power
13 plants melted down. Luckily, the Public
14 Utility Commission does not have to
15 follow the same bizarre mathematics as
16 the Regulatory Commission does. You can
17 see for yourself that nuclear power
18 plants, like the Davis-Besse, are fully
19 capable of melting down and, in fact,
20 every moment that they're operating,
21 there is a substantial risk of them
22 melting down.

23 Historically, it looks like a nuke
24 plant melts down about once every
25 decade. And statistically, in terms of

1 the number of accidents, Davis-Besse is
2 right at the top for the next one to
3 go. So consider that in your economic
4 projections, please, catastrophic
5 failure.

6 Also, just on a personal note I
7 want to offer a little advice. Even the
8 ancient Greeks understood that you have
9 to suspect the testimony and the
10 positions of people who stand to
11 personally profit from convincing you of
12 those positions. While I'm a great
13 supporter of union workers, when your
14 own personal job is on the line,
15 sometimes people will set their judgment
16 in terms of the greater good aside in
17 order to ensure their own continued
18 economic well-being. This might not
19 even happen consciously. But when you
20 started this hearing, you actually were
21 trying to gauge the emotions and the
22 reactions of the public toward them.
23 Well, I've been calling quite a few of
24 the members of the public over the last
25 few days, and I will say the public's

1 reaction is shock and outrage. The idea
2 that the Utilities Commission would
3 raise electric rates to ensure an
4 uncompetitive plan is, for the general
5 public, an agnistoma. It should not be
6 allowed to happen. And you are the
7 people who can decide not to let it
8 happen.

9 One of the few bright spots in this
10 application is that FirstEnergy has
11 finally admitted that nuclear power
12 cannot compete with wind power and with
13 natural gas generation. The logical
14 conclusion, if this were following a
15 logical pattern, would then be to close
16 the uncompetitive technology, to end the
17 uncompetitive technology, and move to
18 the competitive technology, the one that
19 costs less for consumers. And that
20 would be in keeping with your mission
21 statement of providing electricity at
22 fair prices.

23 One thing that has been guaranteed
24 is that our electric rates will go up
25 over the next three years. However,

1 this locks us into buying power from
2 Davis-Besse, no matter what, over the
3 next 15. The question is, well, why
4 would you do that. The only answer is
5 because they do not expect their rates
6 to go down after three years. They
7 expect their rates to continue to
8 increase. If they actually expected
9 them to go down, they would not need a
10 15-year guaranteed purchase, because
11 then their rates would be competitive
12 and they wouldn't need guaranteed
13 purchases. So look -- try to look past
14 the 490 pages of this document and try
15 to look at the basic issues here.

16 I am speaking from experience.
17 This is not speculation. I live in
18 Bowling Green, Ohio. And we've been
19 locked into a 50-year power purchase
20 agreement with a coal-fired power plant
21 in Indiana. They also promised higher
22 rates in the first few years, and then
23 substantially lower rates. It's been --
24 we're going towards ten years now, and
25 the rates are double the market value.

1 And in fact, the company never has any
2 incentive to get below the market value
3 because we're going to buy their power
4 whether it's twice the market value or
5 three times the market value.

6 Guaranteeing them 15 years of full power
7 purchase guarantees of 50 years of above
8 market prices. And again, this inflicts
9 fair price market payers.

10 You're also supposed to be
11 facilitating an environment that offers
12 competitive choices. Well, by
13 definition, given FirstEnergy buying all
14 the Davis-Besse nuclear power, no matter
15 what it costs to produce it, violates
16 competitive choices, because that power
17 will be there on the market. And new
18 generators, clean generators, like wind
19 and solar, would have to go -- try to
20 pile on on top of that. And there is
21 already evidence that there is an over
22 abundance of supply in Ohio. And it
23 would be -- literally, you will be
24 choosing nuclear, and you'll be shutting
25 down wind and solar over the next 15

1 years. And much has been made about the
2 700 jobs at Davis-Besse, and I respect
3 that, but there is 3,000 jobs in
4 Perrysburg, Ohio, working at the first
5 solar -- solar power plant, producing
6 solar panels. So you would be trading
7 those 3,000 jobs for the 700. That's
8 not a good deal.

9 So I just want to say that -- I
10 want to respond to a few points that
11 people have made earlier. A lot of
12 people have spoken to you in favor of
13 this and brought up the specter of last
14 winter. They said, we don't want to go
15 without Davis-Besse if we have another
16 winter like the last one.

17 Well, I would like to remind you
18 that last winter was extremely windy. I
19 remember a lot of wind last winter. And
20 if we were to exploit Ohio's wind power
21 potential, we could have easily lived
22 through cold winters with lots of wind.
23 In fact, we would have lots of power and
24 be tasty warm. One of the things that's
25 happened with the Green Party in our

1 realizing intentions is, at one point
2 FirstEnergy itself introduced a study
3 into the record that showed that
4 distributed wind power, that is wind
5 distributed over the state, can provide
6 baseload power. They did this by
7 mistake. This was a conclusion on a
8 last page of a 20-page report. But we,
9 actually, in the record caught that,
10 pointed it out, and that's what made the
11 Atomic Safety Board agree to hear our
12 appeal. So the specter of, you know, no
13 Davis-Besse, no power, that is a false
14 choice. Wind and solar can provide all
15 the power that Davis-Besse provides and
16 more.

17 Also, what has been stressed has
18 been Davis-Besse's reliability. Well,
19 Davis-Besse is not a reliable power
20 source. It's not a reliable source of
21 electricity. It's been down -- I think
22 the up time is only about 65 percent,
23 historically. I believe that's the
24 correct number.

25 When Davis-Besse goes down, it's a

1 huge strain on the grids, all those
2 hundreds of megawatts shutting off like
3 that, because somebody made a mistake.
4 I remember one of my favorite Davis-
5 Besse shutdowns, and there have been
6 hundreds -- one of my favorite ones was
7 that somebody used a walkie-talkie
8 outside of the one -- the digital
9 control room, and the interference from
10 the walkie-talkie shut off the feed
11 water train system, and that tripped
12 Davis-Besse, and the whole plant went
13 down because somebody used a walkie-
14 talkie in the wrong place at the wrong
15 time. That's how robust this plant is.
16 It's operating on an iced edge all the
17 time.

18 Also, people have stressed, and I
19 want to stress again, higher electricity
20 prices means fewer jobs. This proposal
21 guarantees higher electricity prices.
22 It will close businesses and drive
23 businesses away from Ohio. It's very
24 simple. Companies look for lower costs
25 in terms of electricity. And if Ohio's

1 costs go up because of this -- and they
2 are guaranteed to do so -- we will lose
3 economic development. We'll not gain.

4 FirstEnergy's job is to provide
5 electricity. That is their business.
6 That's what they're supposed to do.
7 It's very nice when people come in and
8 talk about the education programs and
9 gifts that FirstEnergy doles out to them
10 in the tens of millions in returns for
11 the billions that they get. But that's
12 not their job. In fact, what they're
13 sort of doing is, they're trying to
14 spread into the role of government.
15 They're taking over social services.
16 And that's not the job of a
17 corporation. And as an organization
18 that oversees this corporation, you have
19 a chance to rein that in.

20 Two final points. One is
21 please take into account the economic
22 effects of cancer and birth defects.
23 Numerous studies have shown that within
24 the immediate area of a nuclear power
25 plant, cancer rates double. How many

1 people have died and how many lost work
2 hours have there been because Davis-
3 Besse's has been operating? That
4 question needs to be answered, and those
5 numbers need to be factored in to this
6 economic decision you're going to make.

7 And finally, I just want to say,
8 that I'm -- I am envious of you,
9 Commissioners, because this plant has
10 been operating for decades now, and
11 every moment of every day that it
12 operates, it's producing waste that will
13 be killing, maiming, and sickening our
14 descendents for tens of thousands of
15 years. Now, I've done what I could as a
16 citizen to help protect our descendents,
17 yours and mine and our brothers in the
18 community from these illnesses, but I --
19 I do not have the power that you have
20 right at this moment. Right at this
21 moment, simply by doing your jobs,
22 simply by ensuring access to safe,
23 reliable utility services at fair
24 prices, and by facilitating an
25 environment that produces competitive

1 choices, simply by doing that you can
2 protect people for the next 20,000 years
3 from the further burden of radioactive
4 waste. It's a wonderful benefit. And I
5 envy your ability to do this. And I
6 hope you choose to do so. Thank you.

7 MR. McKENNEY: Thank you.

8 Lee Blackburn?

9 - - - - -

10 LEE BLACKBURN,

11 After having been first duly sworn, as
12 hereinafter certified, was examined and testified
13 as follows:

14 MR. BLACKBURN: Good evening. My
15 name is Lee Blackburn, and I would like
16 to thank the Public Utilities Commission
17 for providing me the opportunity to
18 speak this evening.

19 It appears FirstEnergy's motto is:
20 All we want from ratepayers is a little
21 more than we'll ever get."

22 I'm a businessman who spent over 30
23 years in the housing market for low-to-
24 moderate income individuals through the
25 Low Income Housing Tax Credit program.

1 I mention this because what FirstEnergy
2 is proposing would significantly and
3 drastically impact the lives of those I
4 have worked so hard to provide housing
5 for.

6 As a business man working to create
7 housing for those least able to afford
8 it, many times our sources of funds fell
9 well short of covering all of the
10 expenses of building a property. When
11 this occurred, however, we didn't go
12 running back to the state looking for
13 more funds, nor did we simply raise
14 rents. Our residence couldn't afford
15 it, and the marketplace wouldn't justify
16 it. After all, it is the marketplace
17 that ultimately determines rents. And
18 it is the marketplace that should
19 ultimately determine the price
20 FirstEnergy's clients must pay. As we
21 did, FirstEnergy must learn to adapt,
22 not go running back to the Public
23 Utilities Commission every time
24 something minor goes wrong.

25 If you grant them this request,

1 they'll be back for more again and
2 again. Remember, it was FirstEnergy who
3 spearheaded Senate Bill 310 to further
4 Ohio's Renewable Energy and Efficiency
5 Laws in order to shore up their
6 dilapidated nuclear and coal plants.
7 Now they're back once again for more.

8 We live in an unregulated
9 environment. It's time FirstEnergy was
10 weaned off of the regulatory teat.
11 Thank you.

12 MR. McKENNEY: William Farnsel? Is
13 William Farnsel here?

14 Michael Keegan?

15 - - - - -

16 MICHAEL KEEGAN,
17 After having been first duly sworn, as
18 hereinafter certified, was examined and testified
19 as follows:

20 MR. KEEGAN: Thank you,
21 Commissioners, for the opportunity to
22 present. I hail from Michigan just
23 north of the border. I'm a legal
24 intervener in the proceeding of the
25 Davis-Besse license renewal for the

1 Nuclear Regulatory Commission
2 adjudicatory panel of Atomic Safety and
3 Licensing Board Judges.

4 There is nothing that the NRC won't
5 approve, so don't look to them just
6 because they give the blessings on
7 Davis-Besse. Don't look to them as if
8 things are all smooth there.

9 A litany has been read about the
10 problems at Davis-Besse even prior to it
11 going into operation. The flood of 1972
12 when the lake blows in with the
13 northeaster, as it does on a occasion,
14 flooded the plant for a month. If that
15 plant had been operational, that would
16 have been a disaster because it couldn't
17 get in and out. The plant was under
18 flood issues. Get a look at those
19 photos. That could happen again at any
20 time. Okay.

21 In 1977, the precursor, the Three-
22 Mile Island accident occurred. In 1985,
23 the loss of water levels to the reactor
24 vessel. In 1998, a tornado directly hit
25 the plant. The emergency diesel

1 generators failed about a day and a half
2 into that. And fortunately, the grid
3 came back up. But they were
4 overheating. They were on their way to
5 an accident. All right.

6 In 2002 the reactor head was found
7 to have a hole in it. There were
8 indications several years before that
9 there were problems. There were marks
10 on the reactor head, leaking down,
11 dripping down. There were filters that
12 had to be changed on a daily basis
13 because they were clogged up with rust.
14 They didn't know where it was coming
15 from. Normally these were replaced
16 about once a year. Every day, but still
17 they moved on. When they finally took a
18 look at the reactor head, it was 3/16th
19 of an inch from bursting through what
20 was now a seven-inch size of a football
21 hole through carbon steel. The only
22 think that prevented -- prevented that
23 was a stainless steel liner which was
24 now bulging through and showing signs
25 the cracking. 3/16th of an inch away

1 from a Chernobyl incident. We wouldn't
2 be here today had that occurred.

3 Now, the Davis-Besse had to cut
4 into the reactor to replace the head.
5 And so they cut through the shield
6 building, which is part of the
7 containment vessel. They cut through
8 this concrete, two-and-a half feet of
9 concrete through rebar. Then when they
10 went to close it up, they realized that
11 they had -- actually, they had cracking
12 in that shield building, in that part of
13 containment; part of the component of
14 the containment in depth. Okay. That
15 cracking has since gotten worse.

16 In December, 2011, two engineers
17 with the Nuclear Regulatory Commission
18 wrote a report that they had concerns
19 that 90 percent of the concrete could
20 come flopping off if there were a
21 moderate -- a mild to moderate
22 earthquake. That reactor, that shield
23 building has gotten worse in the
24 cracking.

25 The root cause analysis that

1 FirstEnergy pitched was a blizzard of
2 '78 penetrated so deeply into the
3 concrete, and that was the root cause
4 because we hadn't -- because FirstEnergy
5 had not properly sealed the shield
6 building. So the fix would be to do a
7 whitewash, to go with this story of a
8 blizzard of '78, which became the snow
9 job of 2012. The regulators bought it,
10 and they said okay, go ahead and put the
11 sealant on it. It was like hosing down
12 the crime scene, because once they put
13 that whitewash on, they couldn't see the
14 laminear cracking involved. We warned
15 them not to do it, that it would be
16 problematic in doing it.

17 A year later they learned that, in
18 fact, they had locked in the moisture
19 into that shield building and now they
20 were into a freeze/thaw by which the
21 cracks were propagating. That shield
22 building is going come down at a -- we
23 were hoping that the Nuclear Regulatory
24 Commission was going to say that's it,
25 enough is enough. They're not.

1 Gravity -- looks likes gravity will
2 be bringing that shield building down.
3 That's very problematic. So at any
4 moment we could lose that shield
5 building. At any moment there could be
6 a -- literally, a billion dollar to a \$2
7 billion replacement cost for that shield
8 building. These are hidden costs that
9 FirstEnergy does not want to tell you
10 about. In addition, they installed
11 steam generators without having done the
12 proper procedures of oversight and
13 quality assurance. They relied on their
14 own in-house inspectors to do the work.
15 They avoided a 5059 process. They
16 avoided the scrutinization that really
17 was called for. Now, the reason I raise
18 this is because at the Scander
19 Mountain(sic) Nuclear Power Plant out in
20 California, the steam generators failed
21 about a year into their installation.
22 They failed because they were now
23 rubbing against each other because a new
24 metal had been used, INCONEL 690. The
25 industry didn't know that the INCONEL

1 690 was going to respond this way.

2 The new steam generators installed
3 at Davis-Besse used INCONEL 690. They
4 could not have known at the time that
5 they installed these that this was
6 problematic. But it is now installed
7 and it is known to be problematic. So
8 there are hundreds of millions of
9 dollars that could be lost, could be
10 billed to ratepayers going forward.

11 Davis-Besse is destabilizing the
12 grid. Nuclear power plants destabilize
13 the grid because if the grid -- if they
14 detect that the grid power is
15 problematic, they have to pull up
16 immediately, farther cascading the
17 outage. We saw the outage of 2003.
18 FirstEnergy was at the root cause of
19 that outage. Their company was bleeding
20 capital out the ears. They weren't
21 doing their maintenance, just the basic
22 maintenance was not getting done. So
23 they put a quarter of the nation into a
24 blackout.

25 There has been four holes cut

1 through the shield buildings. And those
2 four holes have severely damaged that
3 shield building. The shield building,
4 at the least out of plum -- the very
5 least out of plum, 1.33 percent. That's
6 in a 25-foot span, the very least is
7 1.33 percent out of plum. What is the
8 greatest out of plum that is? I don't
9 know. But that is going to be a tight
10 issue going over, because gravity is a
11 powerful thing.

12 The longer that the Davis-Besse
13 operates, the more high-level nuclear
14 waste that it generates. The Energy is
15 a by-product. What they're really
16 producing is high-level nuclear waste
17 that nobody knows what to do with.
18 Nobody wants it. No nation on earth
19 wants it. This nation is in a quandary
20 of what to do with it. What is offered
21 by the industry is the illusion of a
22 solution. Keep the lie alive. Now
23 we're hearing about republicans at the
24 federal level, we've got to get these up
25 and running again. It's not going to

1 happen. There are scientific -- they're
2 definitely -- definitely will not be
3 revived. But the lies will be revived.
4 And they're looking to create the
5 illusion of a solution. Not a real
6 solution. The longer it operates, the
7 more high-level nuclear waste piles up.
8 And it is piling up on the shore of Lake
9 Erie. This is one of the contentions
10 that we have raised before the Atomic of
11 Safety and Licensing Board. And we will
12 continue to raise it. We'll take to it
13 Circuit Court. We will take it to
14 Federal Court. We will take it to the
15 Supreme Court.

16 Turn off the spicket. Allow Adam
17 Smith to show up. Let the free hand of
18 the market operate. This is going to be
19 a deregulated market. This is not
20 corporate welfare. This is not a job
21 program. They're supposed to be
22 producing energy in an efficient manner
23 that is cost competitive. It is not
24 cost competitive. Do not allow this
25 welfare. Do not allow this burden to be

1 put on the ratepayers of Ohio and other
2 states that are locked into this
3 debacle. So with that, I state my
4 strong opposition to the Davis-Besse
5 plant. I reaffirm my commitment to shut
6 this plant down through the regulatory
7 procedure. And thank you for the
8 opportunity to testify. Thank you.

9 MR. MCKENNEY: Tony Szilagye?

10 - - - - -

11 TONY SZILAGYE,

12 After having been first duly sworn, as
13 hereinafter certified, was examined and testified
14 as follows:

15 MR. SZILAGYE: First of all, I want
16 to thank you for the opportunity to give
17 you this testimony. I'm writing in
18 opposition to the proposal by
19 FirstEnergy to have ratepayers bail them
20 out of their stranded costs by returning
21 to a regulated price. Their proposal is
22 quite bold, given current Ohio
23 deregulation law, the economic issues
24 involved, the history of poor decisions
25 affecting their ability to be

1 competitive in an unregulated
2 environment, and the very poor condition
3 of their assets that ratepayers would be
4 subsidizing.

5 Ohio current law favors an
6 unregulated market. The law and its
7 implementation has already paid
8 FirstEnergy nearly \$7 billion dollars in
9 stranded costs. Due to their stocks
10 rising in price in the market, they are
11 back with a new scheme to have
12 ratepayers bail them out of their
13 failing assets. For them to expect the
14 PUCO to approve their plan is also an
15 expectation for the PUCO to violate
16 existing state law. In addition to the
17 nearly \$7 billion already paid to them,
18 they are demanding about \$180 million
19 per year for 15 years to keep Davis-
20 Besse going.

21 If the PUCO approves this plan, the
22 PUCO will, in effect, be abandoning
23 their mission to foster competition in a
24 competitive and fair framework and will
25 be rescuing FirstEnergy from the very

1 market forces that they are not able to
2 compete in.

3 This approval will also set a
4 precedent to approve a plan that
5 apparently violates state law. For
6 corporations to write a plan violating
7 the state law is unfair for industrial,
8 commercial, residential, and other
9 ratepayers.

10 One of the reasons FirstEnergy's
11 proposed for this plan has to do with
12 their having provided five percent of
13 baseload electricity to Ohio's
14 generation capacity. The price we are
15 paying for Energy from Davis-Besse is
16 not competitive in an open market and is
17 in need of further subsidies by
18 ratepayers -- it is in need of further
19 subsidies by ratepayers.

20 Energy efficiency as a resource and
21 renewable are capable of decreasing
22 demand by displacing the five percent of
23 baseload power that Davis-Besse
24 contributes to Ohio every year. Before
25 being sabotaged by FirstEnergy and the

1 Republican-led legislature Senate Bill
2 310, Senate Bill 221 was poised to
3 decrease consumption of electricity in
4 Ohio by 22 percent by 2025. Senate Bill
5 221 would have reduced gross carbon
6 emissions by around 73 percent and save
7 \$22 billion for Ohio between the years
8 of 2009 to 2030. If renewables are
9 terminated and efficiency remains locked
10 in at one percent, the dollar savings
11 drops to about \$18 billion and only 34
12 percent reduction in carbon emissions.
13 So FirstEnergy has already hurt our
14 economy and supported increased carbon
15 emissions by the support and advocate
16 for Senate Bill 310.

17 According to the American Council
18 for an Energy Efficient Economy, energy
19 efficiency and demand response are the
20 lowest possible resource costs
21 available. This means that energy
22 resources can begin to generate
23 financial savings for Ohio's economy and
24 its consumers quickly, and this could be
25 reinvested to further stimulate Ohio's

1 economy. A penny spent on energy
2 efficiency is a penny spent on another
3 part of our economy. A decrease in
4 demand saves money and this money can
5 then be reinvested in businesses and
6 industries, and consumers can help use
7 this to help our economy grow in a new
8 way.

9 The need to save jobs is also cited
10 by FirstEnergy as a reason for their
11 rate case. However, energy efficiency
12 and green jobs create 17 jobs for every
13 million dollars invested, while a
14 million dollars spent in the nuclear
15 fossil fuel, industry only five jobs are
16 created for every million dollars
17 invested. Robert Pollin, President of
18 Pear Energy and professor of economics
19 at the University of Massachusetts has
20 studied this matter. He says that facts
21 are simple: When we invest, say, \$1
22 million in building the green economy,
23 this creates about 17 jobs in the United
24 States. By comparison, if we continue
25 to spend as much as we do on fossil

1 fuels and nuclear energy, you only
2 create about five jobs.

3 Furthermore, the future of
4 electricity generation in Ohio is
5 renewable energy in the form of wind and
6 solar. When the generation costs, the
7 carbon footprint, the complete life
8 cycle costs of nuclear energy and coal
9 power is taken into consideration,
10 renewable energy is by far the more
11 economic choice.

12 Both Davis-Besse and Sammis coal-
13 burning power plant have multiple
14 economic, social and environmental
15 issues that impede their ability to be
16 competitive and carry heavy social
17 costs. The Sammis plant ranks 21st on a
18 carbon source and the source of CO2
19 emissions in the United States. It's
20 also a major source of toxic air
21 pollutants, like sulfur dioxide and
22 nitrous oxide. These pose serious
23 health risks for many people.

24 Davis-Besse has a long history of
25 accidents and violations that go back to

1 when the construction of site was
2 flooded in 1972. Others include, in
3 1977 valve being stuck open, causing the
4 plant to be closed down for a year. Of
5 course, more recently in 2002, as was
6 already testified to, there was a seven-
7 inch hole found in the reactor head,
8 leaving a 3/16th-of-an-inch steel liner
9 as protection. This closed the plant
10 for two years and cost ratepayers \$600
11 million. The more recent danger is the
12 state of the shield building with its
13 cracks and the fact that no cause has
14 yet been found.

15 In conclusion, the PUCO should not
16 approve the plan to have ratepayers save
17 FirstEnergy from their being unable to
18 compete in the free market. These plans
19 have serious environmental problems that
20 degrade their value and put the public
21 at risk. Thank you.

22 MR. McKENNEY: Terry Lodge?

23 - - - - -

24 TERRY LODGE,

25 After having been first duly sworn, as

1 hereinafter certified, was examined and testified
2 as follows:

3 MR. LODGE: My name is Terry Lodge.

4 I am an attorney here in Toledo. I
5 would like to welcome the PUCO and thank
6 you for coming to northwest Ohio, and
7 other parts of northern Ohio to see if
8 there is a fuller picture than what's
9 been disclosed to you by FirstEnergy.

10 I think that we need to start
11 thinking about the proposal before you
12 as FirstEnergy's Security Plan. But
13 it's an insecurity plan for millions of
14 other people; millions of people -- real
15 people, not corporations. There are
16 several things I want to cover. One of
17 them is Senate Bill 310, which was a --
18 an incredible insult to the public of
19 Ohio and to the electric Utility
20 Commission of Ohio. Senate Bill 310, in
21 addition to cutting the renewable
22 portfolio standards, also included a
23 provision that required disclosure in
24 electric bills of the portion of your
25 electric bill that is going for energy

1 conservation and renewables. It's a
2 tiny amount of money. It's also the
3 only thing -- the only component of the
4 residential electric bill that has to be
5 disclosed. So it's, essentially,
6 holding up and creating a red flag for
7 people to think, oh, my god, I'm paying
8 \$1.16 for energy conservation and
9 renewables and I'm being surcharged. So
10 I would like to propose this: Under the
11 Ohio Administrative Code, the Public
12 Utility Commission has more than ample
13 legal authority to impose the disclosure
14 of other riders. There are 14 other
15 riders, some of which will be canceled
16 if the insecurity plan is adopted. But
17 the point is that the least costly of
18 the present 15 riders is the Energy
19 renewable and conservation disclosure.
20 That's absurd. It's insulting. And
21 intelligence suggests that the vast bulk
22 of the bill that we get every month is
23 going to be for the care and feeding of
24 a corporate welfare of plants like
25 Sammis and Davis-Besse.

1 The plan is illegal on its face,
2 insofar as -- at least for the first
3 several years -- it is ineffectively
4 admitted that FirstEnergy is the only
5 beneficiary. If the public is
6 benefiting by supposedly having these
7 plants available or continuing to be
8 available, that's not a valid,
9 legitimate benefit in terms of what the
10 statute and PUCO rights require.

11 I would like to echo some of things
12 that Michael Keegan said. I represent
13 the interveners of the Ohio Green Party,
14 Northwest Michigan Citizens Environment
15 Awareness of Southwest Ontario and
16 Beyond Nuclear in a pending active
17 intervention before the Nuclear
18 Regulatory Commission. We opposed the
19 20-year license extension for Davis-
20 Besse. And most recently we have
21 vigorously opposed, for the last three
22 years, the spreading, growing concern --
23 structural concern with the shield
24 building at Davis-Besse. This is the
25 cylindrical building about 270-feet high

1 that you can see from Route 2. It is
2 the most pointed structure in the
3 complex. That's where the reactor is.
4 Inside that two-and-a-half foot thick,
5 rebar reinforced concrete structure is a
6 thin steel shell. And within that thin
7 shell is the Davis-Besse reactor. If
8 anything bad happens, that's the baddest
9 place.

10 The problem with the shield
11 building is that, regardless of the
12 excuses, regardless of the
13 misrepresentations of the Utility
14 Commission, the cracking is growing, the
15 cracking is continuing. And it is
16 posing an increasingly dangerous
17 engineering problem, which, in turn, is
18 an increasingly worrisome environmental
19 problem.

20 As Mike Keegan indicated, in late
21 2011, after the discovery of the
22 cracking and after some analysis, two
23 Nuclear Regulatory Commission engineers
24 -- and the NRC is certainly not renowned
25 for making dangerous anti-utility

1 suggestions of potential doom -- two
2 engineers at the NRC did indeed
3 calculate that in the event of a minor
4 earthquake characterized as something
5 less than 4.0 or an unusual heating
6 incident within the reactor, that as
7 much as 90 percent of the 30 inches of
8 concrete could shatter and fall to the
9 ground in pieces, parts of it. No one
10 knows. Of the entire building, 90
11 percent would go down. But the very
12 serious engineering potential has been
13 stated.

14 The reactor shield building, at the
15 time, was diagnosed, as Mr. Keegan
16 indicated, having blizzard of '78
17 problems. And FirstEnergy assured the
18 regulators and the public that putting
19 -- painting the building would seal off
20 the cracking problems. It would stop
21 any continuous cracking that may be
22 underway. What it has done, according
23 to performance international --
24 Performance and Improvement
25 International, which is a consultant to

1 FirstEnergy, is it traps moisture inside
2 the concrete and has effectively
3 worsened the cracking phenomenon. Those
4 engineers calculate that about 10 to 12
5 inches of cracking expansion -- increase
6 of lengthening cracks -- is occurring
7 about every other year. And the
8 response, and one of our intervener
9 public concerns with the length that
10 FirstEnergy is responded to the
11 discovery of the cracking problems is
12 that they've bored 23 holes in a 280,000
13 square foot exterior, believing that
14 they have pretty much identified, for
15 now, all of the potential cracking.
16 However, although in 2012 their official
17 story line was that the cracking problem
18 was essentially fixed, it won't get any
19 worse, in 2013 Performance Improvement
20 International reported to them that
21 oops, there is a lot more cracking
22 that's going on. Some of it is
23 microscopic and not visible to the naked
24 eye, but there is also just a lot more
25 cracking going on from a phenomenon

1 called ice-wedging. So the moisture in
2 the concrete is essentially
3 crystallizing and worsening through some
4 chemical reactions with components of
5 concrete is worsening the cracking
6 scenario.

7 Just in the last couple of weeks
8 there's been a -- I saw some sort of a
9 circulation letter within the NRC there
10 creating some sort of study group to
11 analyze the separation of rebar from
12 concrete because when rebar corrodes, it
13 expands up to six times its original
14 volume and actually starts pushing the
15 cracking. It pushes the concrete
16 sections apart.

17 This is an old building. Some
18 committee of idiots in the early '70s,
19 for probably cost reasons, decided not
20 to paint it, not to coat it, not to seal
21 it from the elements. And this is the
22 legacy of that kind of bad decision
23 making. The problem is that if there
24 were a serious collapse of some portion
25 of the shield building, you would --

1 maybe I should point out, the shield
2 building weighs more than 20,000 tons.
3 We all know what concrete weighs sort of
4 from the abstract, pick up a concrete
5 block. But imagine something the size
6 of that podium, which probably weighs
7 several tons. So something like that
8 starts to break loose or starts to
9 move. A collapse can actually fall
10 inside or towards the center of the
11 shield building, not just fall to the
12 ground. Not fall outward. This is a
13 latticework of concrete and rebar, and
14 it is impossible today to tell what
15 would happen, what would break, what
16 accidents, how minor, how major, any
17 kind of concrete problem that turns into
18 a gravitation problem. And if something
19 the size of that podium fell toward the
20 reactor, it would be disastrous. It
21 would be utterly disastrous, and not
22 just economically.

23 Today I got some very disappointing
24 news. In the last three years on the
25 cracking issue on behalf of the

1 Grassroots Interveners, we have filed
2 ten separate motions with a lot of
3 evidence, some of them obtained by
4 information, simply by monitoring the
5 Nuclear Regulatory Commission files.
6 And we have tried repeatedly to actually
7 have a public trial on this issue of
8 cracking and how bad is it, and what's
9 going to happen, and what can the public
10 expect and what -- what are the physics
11 and chemistry of the situation.

12 Just this afternoon while I was
13 working on something else, I was
14 checking my e-mail, and the Licensing
15 Board turned down our most recent
16 filing. The turn down -- and I'm going
17 to be leaving a copy of the decision
18 with you -- these rejections by the
19 Licensing Board are, by no means,
20 rulings on the merits of intentions.
21 They are for technical reasons, for
22 reasons not having a concrete expert or
23 other kinds of things that are excuses.
24 But -- and I might say, that after
25 getting shellacked three times by the

1 same three members licensing panelists,
2 we all know one another's views and
3 intentions pretty thoroughly.

4 So as I was reading the decision,
5 which is 37 pages long, toward the end
6 it was a very interesting discussion.
7 Now, they've already said the
8 intervening public loses against.
9 However, they also said this, thus while
10 interveners, that's Grassroots, have to
11 date failed to prefer and proffer an
12 admissible contention regarding shield
13 building cracking, the Board is
14 concerned that FirstEnergy and the NRC
15 staff do not fully grasp either the
16 nature of the cracking issues plaguing
17 the shield building or how the pressures
18 of retained water in the building will
19 again crack propagation in the long
20 term.

21 For example, at oral argument in
22 November of 2014, the NRC staff appeared
23 to claim that freeze-thaw and
24 ice-wedging are similar cracking
25 concerns. However, the full apparent

1 cause evaluation report -- wonderful
2 name, by the way -- in 2012, the first
3 explanation, the blizzard did it, was
4 called the root-cause analysis. Then
5 there -- the consultants somewhat
6 later -- a few months later did a second
7 revised root-cause analysis. And now in
8 utter frustration in 2013, cracking is
9 continuing, requiring something called a
10 full apparent cause evaluation.

11 Anyway, pardon me. I digress.
12 However, the full apparent cause
13 evaluation report, as well as
14 FirstEnergy's statement at the oral
15 argument, indicates that the two
16 phenomenon are distinct; the two
17 phenomena being the freeze-thaw and
18 ice-wedging are similar cracking
19 concerns. In other words, what they're
20 saying is that the cracks are coming
21 from more than one causation. They're
22 chemical, as well as meteorological.

23 The Board continues, "Of equal
24 concern to the Board, the NRC staff also
25 claimed that the ice-wedging cracking

1 phenomenon was addressed pre-2014. The
2 board, however, could not find any
3 support for that statement. In fact,
4 the full apparent cause evaluation
5 report repeatedly asserts that
6 ice-wedging is a newly discovered
7 cracking phenomenon. The Board is also
8 concerned that the NRC Staff asserted
9 that the shield building Aging
10 Management Plan is 'agnostic' to
11 different types of cracking phenomena.
12 This seems to be in direct conflict with
13 the fact that the license renewal
14 application has been specifically
15 amended to focus primarily on crack
16 propitiation due to ice-wedging. It
17 appears to the Board that this
18 potentially leaves large parts of the
19 shield building unchecked based purely
20 on the 'presumption' that cracking will
21 not occur elsewhere.

22 "Regarding this concern that water
23 trapped in the shield building will
24 dissipate over time, FirstEnergy
25 downplayed this concern by stating that

1 the water will eventually disperse
2 towards the inside unsealed edge surface
3 and dissipate. However, the full
4 apparent cause evaluation report
5 indicates just the opposite." And there
6 is a quote here from that report, which
7 is engineering, but it indicates just
8 the opposite. You'll be able to read
9 it.

10 "Counsel for FirstEnergy indicated
11 at oral argument in November 2014 that
12 the presence of moisture and freezing
13 temperatures in the outer layer of the
14 shield building can contribute both to
15 microcracking from freeze-thaw and to
16 laminar crack propagation due to
17 ice-wedging. Without hearing evidence,
18 the Board can't conclude if either
19 presents a significant danger to the
20 shield building, but it certainly
21 appears to be a matter deserving the
22 attention of the NRC Staff and
23 FirstEnergy.

24 "Although Interveners have not pled
25 the requisite elements to support an

1 admissible contention, the Commission is
2 respectfully encouraged to direct the
3 NRC staff to investigate the variety of
4 cracking -- the concrete cracking issues
5 currently affecting the Davis-Besse
6 shield building, and report on what
7 effect these issues may or may not have
8 on shield building integrity and
9 function over the term of the renewed
10 license. Such an investigation may 'put
11 the Commission in a position after
12 receiving the views of the applicant, if
13 it desired, to assure itself about the
14 significant, or lack thereof,' of the
15 shield building cracking issues rated by
16 the Interveners, 'and to direct such
17 follow up proceedings as it might deem
18 appropriate.' This undertaking can
19 provide a greater assurance of public
20 health and safety than what is currently
21 in the public record, without
22 substantially delaying the license
23 renewing proceeding."

24 I strongly, in the strongest
25 probable terms, request the PUCO to

1 conduct its inquiry into the use and
2 usefulness of the Davis-Besse reactor in
3 its current condition. The problem
4 here is that FirstEnergy can buy legal
5 changes to try to destroy the
6 competition for renewable and
7 conservation. They can flout --
8 apparently think they can flout state
9 law. But they're having a very much
10 more difficult time getting around the
11 walls with chemistry and physics. Thank
12 you.

13 MR. McKENNEY: Kevin Kamps?

14 - - - - -

15 KEVIN KAMPS,

16 After having been first duly sworn, as
17 hereinafter certified, was examined and testified
18 as follows:

19 MR. KAMPS: Thank you very much.

20 My name is Kevin Kamps, and I serve as
21 radioactive waste specialist at Beyond
22 Nuclear. It's been an honor for me to
23 work in coalition with many groups
24 represented tonight, Citizen
25 Environmental Alliance of Southwestern

1 Ontario, Don't Waste Michigan, Green
2 Party of Ohio, and the Sierra Club on
3 the steam generator issue at Davis-
4 Besse, most recently in 2013 I believe
5 that was.

6 I wanted to make sure that folks
7 bear in mind some of the incidents that
8 have been reported tonight by other
9 speakers. In fact, there were so many
10 accidents or near misses or close calls
11 at Davis-Besse, that when I got more
12 involved, especially on this license
13 extension request in late 2010, I felt
14 the need to organize it in my own head
15 because these stories were so numerous
16 and so incredible. And so something to
17 bear in mind -- and this is documented
18 in a background that I'll submit for the
19 record entitled Davis-Besse, 20 More
20 Years of Radioactive Russian Roulette on
21 the Great Lakes Shore?!

22 Something to bear in mind about the
23 1977 Three Mile Island precursor
24 incident. Even though Davis-Besse
25 claims that it was the blizzard of 1978

1 that caused the cracking, in the course
2 of our research on this intervention
3 against the license extension, we
4 learned that cracking was documented at
5 Davis-Besse by August of 1976, but it
6 had never been made public until early
7 2012. And that was because we were
8 digging through the NRC documents the
9 Toledo Blade reported this fact.

10 So how the blizzard of 1978 could
11 have caused the cracking in 1976, I'm
12 not quite sure. But something to bear
13 in mind is, when that Three Mile Island
14 precursor accident happened, the
15 containment was already flawed at Davis-
16 Besse. But when you move into the 1985
17 steam generator dryout where cooling was
18 lost at the core for 12 minutes,
19 certainly by that time after the
20 blizzard of 1978, seven years later, the
21 container was severely cracked at Davis-
22 Besse. And we've never put forward that
23 the blizzard of 1978 did not contribute
24 to the cracking. But, obviously, there
25 was already cracking a couple years

1 before the blizzard. There was actually
2 a bad blizzard in 1977. And a part of
3 our bafflement at this larger kangaroo
4 court proceeding we've been subjected to
5 these past couple years at the NRC, is
6 that the NRC staff, through the Freedom
7 of Information Act, documents that we
8 got ahold of, were asking very strong
9 questions of FirstEnergy. And one of
10 those strong questions was, you've said
11 the blizzard of 1978, what about the
12 blizzard of 1977, which was almost as
13 severe in intensity.

14 So our position the whole time in
15 these years has been that multiple
16 assaults on the shield building have
17 caused the cracking and worsened the
18 cracking.

19 And something to bear in mind is
20 that during these accidents, the
21 containment was severely compromised at
22 Davis-Besse. When the 1998 -- June of
23 '98 direct tornado took place, the first
24 emergency diesel generator was already
25 down for maintenance and not usable.

1 And then the second and last remaining
2 emergency diesel generator kept failing
3 time and time again for the course of 48
4 hours. And as Michael Keegan mentioned,
5 the last time it failed and gave up the
6 ghost and was not to be repaired again,
7 the grid had just been restored, the
8 grid that was then destroyed by a
9 tornado. They were racing, I'm sure, to
10 get the grid back, because as soon as
11 that diesel was lost, all fluid to the
12 core, which was still hot, was lost.
13 And we saw that at Fukushima Daiichi
14 scrammer reactor, and Davis-Besse did
15 scram before the tornado hit by a matter
16 of seconds, I believe, because the guard
17 shack called in. There are no windows
18 in the control room in Davis-Besse.
19 They couldn't see the orange color in
20 the sky, or maybe it was green, to know
21 that the tornado was coming. Finally
22 when the guard shack saw the funnel
23 cloud and made a call to the control
24 room, that reactor was shut down. But
25 they have to cool that core for days

1 after the shutdown. That's what we saw
2 at Fukushima Daiichi. And they could
3 not cool it at Fukushima Daiichi. And
4 they had three meltdowns and four
5 explosions. And so that near miss with
6 the tornado in '98, a severely cracked
7 containment in Davis-Besse.

8 The 2002 hole in the head fiasco,
9 the reactor that froze -- that's been
10 talked about -- again, happened with a
11 severely cracked, severally compromised
12 containment at Davis-Besse. And what
13 does this mean not having a containment
14 around to operate a reactor the size of
15 Davis-Besse? Don't take it from me.
16 Take it from the Nuclear Regulatory
17 Commission, which commissioned a study
18 in 1982 that was carried out by the
19 International Health in New Mexico, but
20 was concealed because the figures were
21 so shocking. The NRC did not want the
22 public to know this information.

23 And it took a representative Ed
24 Markey, now senator Ed Markey from
25 Massachusetts to out this information in

1 a Congressional hearing under power of
2 subpoena.

3 It's -- the title of the report, as
4 I refer to it, it's most commonly called
5 the CRAC II report, which is short --
6 I'm sorry -- Calculation of Reactor
7 Accident Consequences. CRAC II is its
8 most common name.

9 When I referred to it that way in
10 our Port Clinton oral hearings on March
11 1st of 2011, ten days before Fukushima
12 began, FirstEnergy's lawyer said, excuse
13 me, Your Honor, I've never heard of that
14 report. And then the three
15 administrative hearing examiners from
16 the license board asked, not only
17 FirstEnergy, but the NRC staff had they
18 ever heard of this report.

19 No, nobody had ever heard of it.

20 Well, my major grave mistake, my
21 major transgression was I didn't refer
22 to it by its official title, where it's
23 says NUREG/CR-2239, also known as the
24 1982 Sandia Siting Study. And what it
25 reported was, if a major radioactivity

1 were to occur at Davis-Besse, which
2 could sure happen with a compromised
3 containment.

4 the peek early fatalities -- these
5 are radiation poisoning deaths with the
6 number 1,400 in the downwind areas. The
7 peek early injuries/radiation injuries,
8 again, 73,000. Peek cancer deaths --
9 these are latent cancer fatalities --
10 10,000. And property damages at the
11 time, 1982 dollars, \$84 billion. When
12 you adjust for inflation in 2013
13 dollars, that's \$200 billion in property
14 damages. So compare that to this
15 economic benefits report that
16 FirstEnergy commissioned the nuclear
17 energy to put out. FirstEnergy is a
18 major member of the nuclear energy, so,
19 essentially, FirstEnergy has written
20 this economics benefits report. \$200
21 billion in property damages.

22 And something that the associated
23 press pointed out in June of 2011, after
24 Fukushima had begun, these numbers from
25 1982 are obsolete because populations

1 have soared around atomic reactors in
2 the United States. A lot more people
3 living downwind to be harmed or killed
4 by these radiation releases.

5 So regarding jobs and economic
6 activity, the shutdown of the Vermont
7 Yankee reactor on December 29th just now
8 was mentioned, and so that community is
9 now into the decommissioning phase. And
10 what's really interesting is that a
11 grand total of 27 jobs were lost at the
12 Vermont Yankee Nuclear Power Plant,
13 because most of the people there retired
14 out. They were at retirement. Others
15 were transferred to other energy nuclear
16 facilities, and there is a transition
17 plan put in place by the state for those
18 27 job losses. But a major component of
19 that job population at Vermont Yankee
20 has been retained for the decommission,
21 for the dismantlement of the facilities,
22 for the clean up of the radioactive
23 contamination site and for, essentially,
24 forever management on the high level
25 radioactive waste that's still stored

1 there.

2 So I point that out to the job
3 holders of Davis-Besse. There is plenty
4 of work to do to clean up the mess that
5 has been made there. There's certainly
6 plenty of work to do to safeguard the
7 high level radioactive waste.

8 And I wanted to quote our expert --
9 our coalition in Sierra Club retained
10 Arnie Gundersen, the chief engineer of
11 Fairwinds Associates who has had a Major
12 hand in the Vermont Yankee shutdown, the
13 Crystal River Florida shutdown, another
14 severely cracked containment that led to
15 permanent shutdowns of non reactor.
16 Also the San Onofre units two and three
17 shutdowns in California. Arnie had a
18 big hand in it. Those were the failed
19 experimental steam generators. And as I
20 mentioned tonight, there is an
21 experimental steam generator reportedly
22 under way at Davis-Besse as we speak.

23 Artie Gundersen asks, would you
24 rather figure out how to store
25 electricity over night or would you

1 rather try figure out how to store high
2 level radioactive waste forever. That's
3 the choice we face as a society. And
4 regarding that positive vision of
5 renewable energy that Toledo has so much
6 of going on, first, solar and other
7 solar PB farms. We were fortunate in
8 our intervention in other contentions
9 that we found out what was renewable and
10 efficient alternatives to Davis-Besse's
11 900 megawatts electric. We're fortunate
12 enough to have Dr. Al Compana step
13 forward, a retired physicist, former
14 chair of the physic department, who
15 worked out the solar PB plan for
16 northwest Ohio where just the commercial
17 rooftops, residential rooftops of
18 several northern/northwestern Ohio
19 communities alone could replace Davis-
20 Besse. In addition, we worked out a
21 plan where the very strong potential, as
22 Joe Demare mentioned, for wind energy in
23 this neck of the woods, especially along
24 the Lake Erie shoreline. Cleveland's
25 already tapping into this, nowhere near

1 enough. Bowling Green's tapping into
2 this, nowhere near enough. But wind
3 alone could replace Davis-Besse.
4 Certainly the two together could replace
5 Davis-Besse. And a really ironic moment
6 of our proceeding was our having to
7 bring up the fact that FirstEnergy homes
8 an energy storage facility. It's the
9 Norton Compressed Air Energy Storage
10 Facility near Akron that has the
11 potential, if developed, to store 2,700
12 megawatts of electricity.

13 So FirstEnergy could be on the
14 cutting of renewable energy and energy
15 storage in the United States if it chose
16 to. And it certainly is the future.
17 That's being shown in places like
18 Germany, the fourth largest economy in
19 the world, which will phase out nuclear
20 power completely by 2022 and plans to
21 take out fossil fuels at something,
22 like, a 95 percent level, at least in
23 terms of greenhouse gas emissions by mid
24 century for climate protection. And the
25 renewable and efficiency sector is

1 booming in terms of jobs and economic
2 development.

3 And Merkle's conservative ministers
4 have made the point that this is not a
5 charitable undertaking by Germany. This
6 is not just to protect the climate.
7 This is an economic plan for Germany's
8 business future. And they hope to lead
9 the world. Right now the United States
10 is being left in the dust in this
11 regard. So if you want to build wind
12 turbines these days, a lot of times you
13 have to call Denmark or you have to call
14 Spain or Germany. And if we want to
15 change that, we are going to have to get
16 busy real quick.

17 The last couple points I want to
18 make before leave the accident near
19 misses we've had at Davis-Besse, is that
20 I went to Kiev Ukraine in 2006 for the
21 20th anniversary of Chernobyl, the
22 shadow conference held across the street
23 from a pronuclear international atomic
24 energy conference. And I was blown out
25 of my seat because I was listening to a

1 Chernobyl whistle blower speaking about
2 problems of the Chernobyl site 20 years
3 on, speaking on accidents. And this was
4 being delivered in Ukrainian language.
5 And I had earphones in for English
6 translation. And I heard him say Davis-
7 Besse before the translation came
8 through. And his point was, he had been
9 talking about Russian reactor designs,
10 RPMKs the whole time. And he said, it's
11 not just Russian reactor designs. Let
12 me tell you about Davis-Besse. So this
13 was four years after the hole in the
14 reactor fiasco I'm sitting in Kiev
15 Ukraine, listening to a Chernobyl
16 whistle blower talk about Davis-Besse.
17 So the risk are real.

18 And the last couple points I wanted
19 to make have to do with a report by
20 Dr. Mark Cooper, who is an energy
21 economist at Vermont Law School. And
22 this report came out in July of 2013.
23 It's entitled, "Renaissance in Reverse.
24 Competition pushes aging U.S. nuclear
25 reactors to the brink of economic

1 abandonment." And wouldn't you know
2 that Dr. Cooper listed Davis-Besse as
3 one of the top 12 atomic reactors in the
4 United States at near term risk of
5 permanent shutdown. And the reasons he
6 gave were many. The economic factors
7 included cost, the age of Davis-Besse,
8 the fact that it's a single reactor unit
9 at the one plant. It's in a merchant
10 deregulated competitive marketplace
11 where it can't compete. That it has so
12 few years left in its original license.
13 And I should point out that Davis-
14 Besse's original license expires on
15 Earth Day in 2017. So what a way to
16 celebrate Earth Day, to retire Davis-
17 Besse as planned on Earth Day 2017.

18 In addition to the economic factors
19 Dr. Cooper pointed out, operational
20 factors, reliability was mentioned
21 already. Two years shutdown after the
22 hole fiasco that cost \$600 million in
23 replacement power. Long-term outages.
24 That wasn't the only one. And then
25 multiple safety issues. So this

1 community around Davis-Besse needs to
2 plan for the permanent shutdown of this
3 plant. It's a matter of time. It is
4 closing.

5 The other economic analysis I
6 wanted to point out was by Peter
7 Bradford, a former nuclear regulatory
8 commissioner. He served during the
9 Three Mile Island meltdown. He's also
10 head of the New York State and State of
11 Maine Public Utility Commissions. And
12 now he is a board member of the Union of
13 Concerned Scientists. And he just had
14 an article in Cranes Business of Chicago
15 about the attempted bailout of Exelon
16 Nuclear is seeking from Illinois
17 ratepayers to the tune of \$580 million a
18 year to prop up five uncompetitive
19 reactors in Illinois. And the title of
20 his analysis is "Playing Chicken with
21 Illinois Electric Rates won't improve
22 the climate." And there is a lot of
23 that going on right here in Ohio,
24 playing chicken with Ohio electric
25 rates. So one of Peter Bradford's

1 points is the high cost of electricity,
2 and FirstEnergy wants to add \$182
3 million a year to that cost; three plus
4 billion dollars over the coming years
5 and decades. That is keeping businesses
6 and jobs away from Ohio, and it's even
7 driving away current businesses and jobs
8 because it's high-priced nuclear
9 electricity.

10 So the one thing I wanted to
11 respond to was, there were some earlier
12 speakers who spoke about Nuclear power
13 as clean. And I would like to submit
14 for the record one of our backgrounder's
15 general pamphlet about nuclear power,
16 written by our board member Katie Ryan,
17 St. Louis, Missouri: "Dirty, Dangerous,
18 and Expensive, the Verdict Is in on
19 Nuclear Power." I wanted to respond to
20 that clean allegation. It's been
21 mentioned that electricity is about the
22 leading by-products in nuclear power.
23 The actual product is forever deadly
24 radioactive waste. And our
25 organization, in coalition with others,

1 took the environmental protection agency
2 to court during Yucca Mountain dumpsite,
3 and in federal court we won. And it
4 forced the EPA to go back to the drawing
5 board and they had not cut off
6 regulations at 10,000 years. And as of
7 2008, the EPA has admitted that high
8 level radio active waste is deadly for a
9 million years. Of course that excludes
10 certain ingredients, like Iodine 129,
11 which is hazardous for 314 million
12 years. So there's hundreds of tons of
13 high level radioactive waste at Davis-
14 Besse, most of it still stored in the
15 40-foot deep storage pool of water. And
16 Davis-Besse also has the dubious
17 distinction of being on the list of
18 about 12 nuclear power plants in the
19 country that have leaking high level
20 radioactive waste storage pools. There
21 is leakage of radioactive water in the
22 storage pool at Davis-Besse, which is
23 really bad. And a huge risk, as Michael
24 Keegan mentioned, whether it's pool
25 fires, whether it's pool leaks, whether

1 it's degradation of dry cast storage at
2 Davis-Besse, this problem will haunt all
3 future generations to come. And we have
4 a contention at Davis-Besse, despite the
5 rejection today by the licensing board
6 of our cracking contentions, we still
7 have a high level radioactive waste
8 contention that we plan to see through
9 to the bitter end. So thank you very
10 much.

11 MR. McKENNEY: Mr. Kamp, I have a
12 follow-up question for you.

13 MR. KAMP: Yes.

14 MR. McKENNEY: Did you say you're
15 testifying on behalf of Beyond Nuclear?

16 MR. KAMP: Yes sir.

17 MR. McKENNEY: Have you previously
18 provided public testimony in this
19 proceeding?

20 MR. KAMP: Yes, in Akron.

21 MR. McKENNEY: Is your testimony
22 substantially the same tonight as it was
23 in Akron?

24 MR. KAMP: I may have some overlap,
25 but I think I covered some new areas as

1 well.

2 MR. McKENNEY: Thank you.

3 MS. DUNN: I just have one
4 clarifying question. Are you here
5 solely on behalf of Beyond Nuclear
6 tonight?

7 MR. KAMP: Well, I represent our
8 members in the area. So, for example,
9 our standing in the Davis-Besse license
10 extension proceeding was provided by
11 Phyllis Oster of Bowling Green Ohio, who
12 is a member of Beyond Nuclear and has
13 opposed Davis-Besse since before
14 construction, actually.

15 MS. DUNN: Are you here on behalf
16 of the Sierra Club in any capacity?

17 MR. KAMP: No, ma'am. But we
18 worked in coalition with the Sierra Club
19 to try to block the experimental steam
20 generator at Davis-Besse.

21 MS. DUNN: Thank you.

22 MR. McKENNEY: Thank you.

23 Paul Sherlock?

24 - - - - -

25 PAUL SHERLOCK,

1 After having been first duly sworn, as
2 hereinafter certified, was examined and testified
3 as follows:

4 MR. SHERLOCK: I'm Paul Sherlock.
5 I'm from Cleveland, Ohio concerning
6 FirstEnergy's proposed bailout.

7 What we are discussing here today
8 is corporate socialism. The bailout
9 FirstEnergy seeks is to subsidize
10 unprofitable plants not maintaining
11 their -- not maintaining their
12 infrastructure.

13 FirstEnergy has championed for a
14 deregulated energy market. Now when it
15 finds that some of its aging,
16 inefficient plants cannot compete in the
17 open market, they're asking the
18 consumers of Ohio to bail them out.

19 FirstEnergy has promoted this
20 bailout with the dubious claim that this
21 will end up benefiting the consumers
22 from years three to years 15. How
23 likely are they to accurately predict
24 the energy market's pricing that far
25 into the future?

1 FirstEnergy says this plan will
2 save consumers in the long run. If that
3 is so, presumably, if they don't ask for
4 a bailout and choose to absorb the risk
5 of operating these plants themselves,
6 then they would realize a profit they
7 are trying to say will be a savings for
8 their consumers. Why aren't they
9 willing to take on this risk if they are
10 so sure that this proposal will be
11 profitable?

12 Their argument last year when they
13 pushed our representatives to roll back
14 renewable energy standards was renewable
15 energy wasn't needed because energy was
16 so cheap. What happened in the last
17 seven months?

18 The EPA now has the support of the
19 United States Supreme Court enforcing
20 upwind states to clean up their
21 emissions that affect downwind states.
22 Additionally, the EPA has been taxed to
23 increase emissions 30 percent by 2030.
24 How will these requirements affect the
25 unprofitable plants that FirstEnergy

1 wants us to prop up?

2 Being from Cleveland, I -- this
3 proposal reminds me of the sin tax that
4 Cuyahoga County proposed in 1990 to
5 build the sports arenas downtown. This
6 was to be a 15-year tax, they said. In
7 2005 they renewed the tax to pay for the
8 football stadium for ten years. As of
9 last year, County Council unanimously
10 pushed for and received a 20-year
11 extension to this tax, warning tax
12 payers that it was economically
13 necessary that the tax be extended.

14 I feel that this proposal for a
15 rate increase will occur in the same
16 fashion. In three years FirstEnergy
17 will find a reason why they must keep
18 the extortion fee in place, and we as
19 consumers will be forced into a
20 continuing subsidy for their own
21 profitable business.

22 I've heard all this testimony
23 tonight about keeping -- supporting
24 FirstEnergy because it will save jobs.
25 Doesn't anyone realize that there are

1 new jobs to be had in the increasingly
2 competitive renewable energy industry?
3 To frame this discussion of rate
4 increase around jobs is disingenuous.
5 The PUCO cannot allow FirstEnergy to
6 talk out of both sides of its mouth.
7 FirstEnergy cannot advocate for a
8 competitive marketplace and then turn
9 around and force consumers to pay fees
10 because they can't operate a profitable
11 operation. They can't tell us we don't
12 need renewable energy because energy is
13 so cheap, and then seven months later
14 beg us for a rate increase. This speaks
15 to their credibility, as well as yours
16 as an overseer.

17 The PUCO is tasked to advocate for
18 the consumer. As a consumer, I ask that
19 you require FirstEnergy to operate as
20 the free market entity it so wanted to
21 be, and require them to compete on an
22 open marketplace and not ask for
23 bailouts. Thank you.

24 MR. MCKENNEY: Thank you.

25 Michael Leonardi?

1 - - - - -

2 MICHAEL LEONARDI,

3 After having been first duly sworn, as
4 hereinafter certified, was examined and testified
5 as follows:

6 MR. LEONARDI: So as usual, I
7 haven't prepared any remarks, and I'm
8 going to shoot from the hip.

9 This whole swearing in thing, I
10 have testified at hearings many of time
11 on the situation with Davis-Besse and
12 other environmental issues here and
13 around the City of Toledo.

14 My name is Michael Leonardi, for
15 the record. I'm a citizen of Toledo,
16 Ohio, born and raised, but lived outside
17 the country for nine years in Europe.
18 And unfortunately, here I am back in
19 this -- what I see kind of -- I love the
20 people here that have testified tonight
21 on behalf of a progressive vision for
22 the future of this area of the country
23 and humanity. Unfortunately, I heard a
24 lot of regressive testimony tonight as
25 well. And I don't really have any faith

1 in PUCO. I apologize to you guys. But
2 I don't have faith in you. I don't have
3 faith in any regulatory agency in the
4 United States. The swearing in, I don't
5 have to do that, usually, at hearings.
6 But tonight the swearing in for the
7 whole truth and nothing but the truth,
8 whatever it is -- there's two versions
9 of the truth, apparently, tonight that
10 are being told. One vision of the truth
11 is corporate fascism, I call it. Not
12 corporate socialism, but corporate
13 fascism. And that's where people are
14 subservient to corporate rules. The
15 stadium that the gentleman mentioned in
16 Cleveland is called FirstEnergy stadium,
17 the most recent stadium that they built
18 where the Browns play, subsidized by the
19 taxpayers...FirstEnergy stadium, right
20 next to the Rock-N-Roll Hall of Fame.
21 Makes me sick to my stomach, really,
22 this kind of corporate rule that we're
23 living under.

24 And I don't have faith in PUCO
25 because you're appointed by, from what

1 my understanding is -- I might be
2 misunderstood, but by the Republican
3 leadership in the State of Ohio, which
4 has the most regressive -- one of most
5 regressive -- in the top ten most
6 regressive frameworks for renewable
7 energy in the United States of America.
8 So I'm living in a city in and area of
9 the country, we are, where climate
10 deniers are the reality. Where we have
11 educational institutions testifying on
12 behalf of corporate energy giants like
13 FirstEnergy, saying what a benefit they
14 are to the economic health of our
15 region. But wake up people. Look
16 around you. There is no economic health
17 in this region. When I came back here
18 from Italy, I saw a city that seemed
19 like it had been carpet bombed, and I
20 saw also Cleveland. Toledo, at that
21 time in 2011/2012, had the fastest
22 growing rate of concentrated economic
23 poverty in the United States of
24 America. The major city with the
25 fastest growing rate of concentrated

1 economic poverty in the United States of
2 America is Toledo, Ohio. Number two was
3 Cleveland. So where is this economic
4 health that we are so dependant on
5 FirstEnergy for in this region? I don't
6 see any economic health. I see economic
7 despair.

8 I'm a teacher. Right now I'm a
9 substitute teacher because I have to
10 renew my certificate because I was
11 living out of the country for 11 years,
12 getting further into financial aid debt
13 in the United States and other problems
14 that we can talk about another time.
15 And I teach in charter schools and
16 public schools around the City of Toledo
17 and Northwest Ohio, and I see the
18 economic despair in the faces of my
19 children every single day. Now, that
20 may not be the case in Benton Harbor,
21 which is sub -- a corporate-bought
22 town. Reminds me -- we have two
23 visions. One vision is like the Homer
24 Simpson Springfield -- Springfield
25 vision of America. The other one is

1 like this progressive -- where do people
2 want to live? They want to come to a
3 city surrounded by two of the most
4 dangerous nuclear power plants in the
5 world, Firmi, right up the road, Davis-
6 Besse right down the road; tar sands
7 being refined, coal-burning refineries,
8 a regressive mentality, a workforce
9 that's so on their knees begging for the
10 taxpayers to subsidize their couple
11 thousands jobs while the rest of the
12 community is in economic despair? This
13 is a great vision that has been shared
14 by the people that have called for the
15 support of PUCO for this ridiculous
16 embezzlement ripping off of the
17 taxpayers, taxpayers whatever -- the
18 citizenry of this state. I pay electric
19 bills to Toledo Edison and FirstEnergy
20 every month. Sometimes I feel like it
21 would be great if we could mobilize a
22 rate payers' strike and refuse to pay
23 our electric bills, you know, things
24 like that, put this company under once
25 and for all. But we live in a

1 regressive community. We live in a
2 regressive state where the mentality of
3 the citizenry here is backwards; not
4 forward thinking. The Chamber of
5 Commerce, the utility companies and our
6 university and educational institutions,
7 I mean, that's just disgraceful. School
8 teachers. It's a really sad. It
9 sickens me. So I doubt you guys will do
10 the right thing because you were
11 appointed by our republican governor
12 that has nowhere in his heart a soft
13 spot for renewable energy future that
14 could really benefit humanity. So I
15 don't have faith in you guys. But I
16 hope you do the right thing and reject
17 this abomination. That's all I got to
18 say. Have a great night. I think I'm
19 one of the last ones. Hopefully, I'm
20 the last one. Thank you.

21 MR. MCKENNEY: At this time it is
22 the last name on the list of people who
23 have signed up to testify this evening.
24 Is there anyone else here this evening
25 that would like to provide public

1 testimony that did not sign up to do
2 so?

3 All right. Seeing no one, then at
4 this time we are going to adjourn
5 tonight's public hearing.

6 I do have one announcement before
7 we adjourn. At the back of room there
8 are some announcements and paperwork
9 that you can receive. One of those is
10 an informational letter on FirstEnergy's
11 Electric Security Plan. One section of
12 that, which is what happens next,
13 describes the procedural schedule in
14 this case, however, yesterday an entry
15 was issued in the case revising that
16 procedural schedule. So the procedural
17 schedule, the testimony will be filed at a
18 later date than was indicated here.

19 If you have more questions or are
20 interested in the case, you can look it
21 up at the Commission's website. It is
22 in the docketing system. You can find
23 it under Case Number 14-1297-EL-SSO.

24 Thanks. Have a nice evening.

25 - - - - -

1 (Hearing adjourned at 9:00 p.m.)

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3 I, Katrina L. Dearborn, Notary Public within
and for the State of Ohio, duly commissioned and
4 qualified, do hereby certify that the within-
named witnesses were first duly sworn to testify
5 the truth, the whole truth, and nothing but the
truth in the cause aforesaid; that the testimony
6 then given by him/her was by me reduced to
stenotypy in the presence of said witnesses,
7 afterwards transcribed on a computer, and that
the foregoing is a true and correct transcript of
8 the testimony so given by him/her as aforesaid.

9 I do further certify that this arbitration
was taken at the time and place in the foregoing
10 caption specified and was completed without
adjournment.

I do further certify that I am not a
12 relative, employee of, or attorney for any of the
parties in the above-captioned action; I am not a
13 relative or employee of an attorney for any of
the parties in the above-captioned action; I am
14 not financially interested in the action; I am
not, nor is the court reporting firm with which I
15 am affiliated, under a contract as defined in
Civil Rule 28(D); nor am I otherwise interested
16 in the event of this action.

17 IN WITNESS WHEREOF I have hereunto set my
hand and affixed my seal of office at Cleveland,
18 Ohio on this 6th day of February, 2015.

19

20

21

22

23 In and for the State of Ohio.
my commission expires 11-02-15.

24

25

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Case No(s). 14-1297-EL-SSO

Summary: Transcript and sign-in sheets from January 15, 2015 hearing held in Toledo, Ohio electronically filed by Ms. Katrina Dearborn on behalf of Dearborn Reporting Services